

FUND OBJECTIVE

To achieve capital appreciation over the medium to long-term by investing in Asia (ex Japan) equities.

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	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	14.94 million units (30 May 2025)	Fund Size	RM22.80 million (30 May 2025)
Unit NAV	RM1.5257 (30 May 2025)	Target Fund	AHAM Select Asia (ex Japan) Quantum Fund (Quantum Fund)
Fund Manager	AHAM Asset Management Berhad	Taxation	8% of annual investment income
Performance Benchmark	MSCI AC Asia (ex-Japan) Small Cap Index	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: <ul style="list-style-type: none">Have a medium to long term investment horizonAre risk toleranceAre seeking higher returns for their investments compared to the performance benchmark	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Asia (ex Japan) Quantum Fund.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Minimum 70% of Net Asset Value (NAV)	Balance of fund

Sun Life Malaysia

Select Asia (ex Japan) Quantum Fund

May 2025



SECTOR ALLOCATION OF THE TARGET FUND

Health Care	25.90%
Consumer Discretionary	18.00%
Industrials	17.40%
Technology	11.70%
Real Estate	8.40%
Consumer Staples	6.60%
Financial Services	2.50%
Telecommunications	2.40%
Basic Materials	2.30%
Energy	1.60%
Cash & Cash Equivalents	3.20%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Hugel Inc	4.30%
Gold Circuit Electronics Ltd	3.60%
Park Systems Corp	3.30%
Cosmax Inc	3.10%
DPC Dash Ltd	2.70%
Kinik Company	2.50%
AK Medical Holdings Ltd	2.50%
Chief Telecom Inc	2.40%
Mrs.Bectors Food Specialities	2.40%
Sinbon Electronics Co Ltd	2.30%
Total	29.10%

PERFORMANCE RECORD

The Fund feeds into AHAM Select Asia (ex Japan) Quantum Fund ("target fund") with the objective of achieving capital appreciation over the medium to long-term by investing in Asia (ex Japan) equities with market capitalization of not more than USD1.5 billion at the time of investment. However, the target fund would also have an option to invest into companies with a market capitalization of not more than USD3.0 billion at the time of investment, which will be capped at no more than 30% of the Net Asset Value (NAV) of the target fund.

Table below shows the investment returns of Sun Life Malaysia Select Asia (ex Japan) Quantum Fund versus its benchmark as at 30 May 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	-0.58	3.97	2.84	-4.76	-7.37	19.59	52.57
Benchmark	-2.47	7.10	-2.75	-6.62	11.40	65.67	79.80

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

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

- Asian equity markets closed higher in May, boosted by progress in US-China trade negotiations, which helped ease fears of a global economic slowdown. A 90-day pause in new tariffs, reciprocal tariff cuts, and a US federal trade court's temporary ruling against new levies provided further support to market sentiment.
- The MSCI AC Asia Pacific ex Japan Small Cap Index gained 8.39% in USD terms for the month, marking a strong rebound across most markets.
- Taiwan, South Korea, and Indonesia led the rally. Taiwan benefitted from record-high export orders (USD 56.4 billion in April), driven by robust global demand for AI-related technologies. The Taiwan dollar also strengthened, amid speculation of US-led trade currency arrangements though these were denied by its central bank. South Korea rose on the back of a 25bps rate cut and optimism ahead of the 3 June presidential election, while Indonesia gained from supportive monetary policy.
- In China, the central bank trimmed both its 1-year and 5-year loan prime rates to stimulate growth. While industrial production surprised on the upside (+6.1% YoY in April), weak retail sales growth (5.1%) reflected headwinds in domestic consumption. Nevertheless, the announcement of a tariff truce with the US, including a 115% cut in reciprocal tariffs, supported markets
- India saw sustained foreign inflows and recorded Q1 GDP growth of 7.4%, with markets shrugging off recent border tensions with Pakistan after a ceasefire agreement. Political and economic stability further underpinned investor confidence.
- In ASEAN, Malaysia and Thailand posted Q1 GDP growth of 4.4% and 3.1%, respectively. Singapore markets benefitted from political continuity post-election, while the Philippines navigated mid-term election uncertainty without major market disruption.

STRATEGY:

- The fund delivered a return of +3.97% in May, underperforming its benchmark, the MSCI AC Asia ex Japan Small Cap Index, which rose by +7.1% over the same period.
- While the fund saw positive returns, the relative underperformance was due to its lower exposure to markets that led the rally, such as Taiwan and South Korea, and a more cautious stance in some high-beta names that rebounded strongly.
- Strong contributions came from the fund's holdings in Taiwan, particularly within the semiconductor and AI supply chain, as well as South Korean and Indian consumer and industrial names, which benefitted from macro tailwinds and optimism around structural reforms.
- China was a mixed performer in the portfolio. Gains from select financial and industrial companies were partly offset by weakness in consumer discretionary names, highlighting the uneven pace of domestic demand recovery. Nonetheless, policy support and improving liquidity conditions remain constructive for the medium term.
- The fund remains underweight in Thailand, the only regional market that detracted from index performance during the month, which helped limit downside on a relative basis.
- From a strategy standpoint, the portfolio continues to be built from a bottom-up, valuation-conscious approach, targeting companies with solid fundamentals, improving earnings visibility, and exposure to long-term secular trends. These include artificial intelligence, renewable energy, and rising domestic consumption across Asia. The fund maintains a cash level of 3.2%, offering the flexibility to capitalise on market dislocations and deploy capital into high-conviction opportunities as they arise.

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.
Stock specific risk	Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the target fund's NAV.
Credit and default risk	Credit risk relates to the creditworthiness of the issuers of the debentures or money market instruments (hereinafter referred to as "investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers 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 debentures or money market instruments (hereinafter referred to as "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.
Warrants investment risk	The value of the warrants will depend on the pricing of the underlying security, whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying security may be offset by aggressive time decay. We may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.
Country risk	Investments of the target fund in any country may be affected by changes in the 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.

RISKS (CONTINUED)

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

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. You 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.

Currency risk at the target fund level

The impact of the exchange rate movement between the base currency of the target fund and the currency of the underlying investments (other than in MYR) may result in a depreciation of the value of the investments as expressed in the base currency of the target fund.

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 policy owners' interest or diminish returns of the target fund.

Source : AHAM Asset Management Berhad

Date : 30 May 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.