

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	15.31 million units (30 September 2025)	Fund Size	RM18.11 million (30 September 2025)
Unit NAV	RM1.1827 (30 September 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 - Up to 1.0% p.a. of fund management charge is applied on the Target Fund's NAV by AHAM Asset Management Berhad

ASSET ALLOCATION

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

Sun Life Malaysia Select Bond Fund

September 2025



SECTOR ALLOCATION OF THE TARGET FUND

Banks	25.80%
Insurance	12.30%
Industrials	10.30%
Energy	9.80%
Real Estate	8.60%
Utilities	7.50%
Financial Services	6.30%
Technology	2.70%
Consumer Discretionary	2.50%
Consumer Staples	2.50%
Telecommunications	2.30%
Basic Materials	1.90%
Others	2.10%
Cash And Cash Equivalent	5.40%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Bank Negara Indonesia	4.30%	24.03.2027	2.5
Dialog Group Bhd	4.15%	16.11.2027	2.2
HDFC Bank Ltd	3.70%	25.08.2026	1.9
Telefonica Europe BV	5.75%	15.01.2032	1.9
Macquarie Bank Ltd	6.13%	08.03.2027	1.8
Aldar Properties PJSC	6.62%	15.04.2055	1.8
Riyad Sukuk Limited	6.21%	14.07.2035	1.5
Yinson Production Offshore Pte	9.63%	03.05.2029	1.5
IOI Investment L Bhd	3.38%	02.11.2031	1.4
Eco World Perpetual Cap Bhd	4.60%	20.08.2035	1.4

PERFORMANCE RECORD

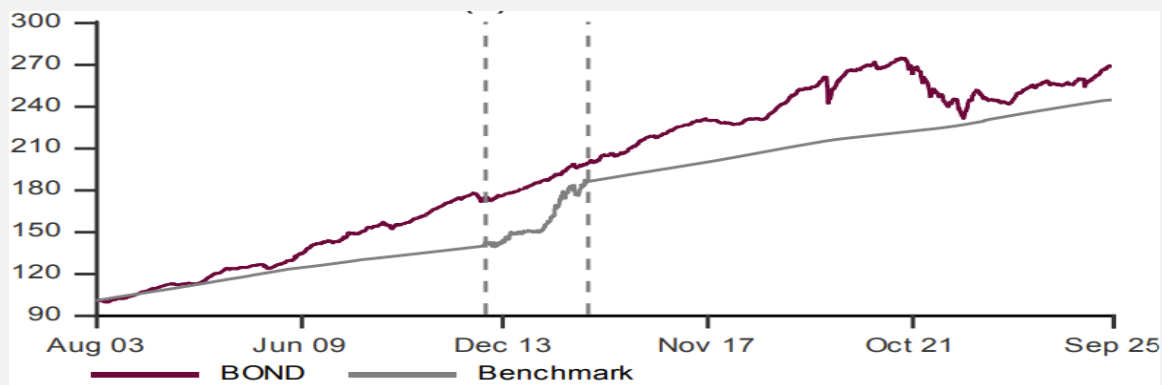
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

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

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	4.97	0.70	3.74	5.32	13.10	2.92	18.27
Benchmark	1.77	0.17	1.15	2.41	8.16	12.38	21.89

* 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

- In September 2025, the U.S. Federal Reserve cut its benchmark interest rate by 25 basis points at its September meeting as widely expected, to bring the FFR target range to 4.00%–4.25%, marking its first cut since December 2024. The UST yield curve flattened, with UST 2-year, 10-year, and 30-year ending September at 3.61% (-1 bps), 4.15% (-8 bps), and 4.73% (-20 bps) MoM respectively. This decision came amid growing signs of a weakening labor market and slowing economic momentum, even though inflation remains above the Fed's 2.0% target. Fed Chair Jerome Powell justified the cut as “a risk management cut” as the central bank is trying to strike a balance between supporting the economy and keeping price pressures in check.
- In the September update of the Summary of Economic Projections (SEP), officials forecasted stronger growth, elevated inflation, and lower unemployment in 2025. In 2Q25, the U.S. economy grew at a revised 3.8% annualized pace, stronger than the previously reported 3.3% advance, reflecting stronger-than-expected consumer spending and business investment. Consumers appear to be rotating away from goods most affected by tariffs towards services spending that are more insulated from policy changes. Inflation accelerated in August with headline CPI +0.38% (July: 0.20%) and core CPI +0.35% (July: 0.32%), higher than estimates of 0.37% for headline and 0.33% for core. On a YoY basis, headline CPI reported +2.9% (2.7% prior), although core remained at 3.1%. Mixed economic data may cast some doubt over the need for an aggressive pace of Fed rate cuts, causing markets to continue to recalibrate policy expectations.
- Domestically, BNM held OPR unchanged at 2.75% in its September MPC meeting. BNM's statement emphasized (a) easing global uncertainty despite tariff-related drags, with risks now more two-sided, (b) risks to domestic growth no longer explicitly tilted to the downside, (c) extended the moderate inflation outlook into 2026, (d) dropped reference to “enduring support” for the MYR. Most importantly, the MPC assessed the policy stance as “appropriate” and “supportive” amid price stability – suggesting no urgency to further adjust the OPR in the near term, as it awaits the impact of the July OPR cut on credit growth and the real economy.
- In September, domestic fixed income markets were dominated by profit-taking activities due to huge primary corporate bond supply and investors adopting a more defensive stance heading into quarter-end. Fundamentally, nothing has changed. MGS yields rose between 4 to 14 bps during the month, led by the short end to belly of the curve, i.e., 1y to 7y, which bore the brunt of the sell-off. This reflects a broader market view that BNM is unlikely to ease monetary conditions in the near term. The 3-year, 10-year, and 30-year MGS ended August at 3.12% (m/m: +14 bps), 3.46% (m/m: +7 bps), and 3.92% (m/m: +4 bps) respectively.

STRATEGY:

- In September, rates continued its declining trend with US Treasury 10 year fell to 4.15% from 4.23% at the start of the month. Risk assets performed well as market priced in rate cuts as soon as September FOMC meeting following weak employment data. Fed cut rate for the first time since Dec 2024 to 4-4.25% and indicated that downside risk to labor market has increased. However, Fed remained cautious on inflationary pressures and will be navigating future rate cuts carefully. As rates decline and credit spreads were stable, Fund continued to see strong momentum from high carry. During the month, US IG credit spread tightened by 6bps while Asia IG credit spread tightened by 2bps.
- The portfolio yield stands at around 5% after hedging. Fund is fully invested and portfolio duration was 5.3 years. In terms of breakdown, the fund's biggest is in USD space (corporate and small exposure in MBS) of 54%, followed by AUD (17%) and MYR bonds (12.5%). Open FX is currently 3% in USD and 3% in AUD. We hedged out 3% of USD exposure during the month as we managed to lock in hedging cost of 0.5%.
- Looking ahead, the Manager continues to be positive on regional fixed income space as carry remains high. Focus remains on high quality investment grade bonds that tend to be more resilient even during risk off periods.

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 September 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.