

Sun Life Malaysia Select Bond Fund

April 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	19.42 million units	Fund Size	RM22.97 million
Unit NAV	RM1.1828	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: <ul style="list-style-type: none">Have a medium to long term investment horizonRisk 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	21.90%
Insurance	12.20%
Industrials	11.30%
Financial Services	10.00%
Energy	6.90%
Consumer Discretionary	6.40%
Telecommunications	5.40%
Real Estate	5.40%
Basic Materials	4.10%
Technology	3.60%
Utilities	2.40%
Others	2.00%
Consumer Staples	1.40%
Cash And Cash Equivalent	7.00%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
HDFC Bank Ltd	3.70%	25.08.2049	2.0
Mitsubishi UFJ Fin Group Inc	6.35%	15.01.2049	2.0
Telefonica Europe BV	5.75%	15.01.2049	1.9
Melco Resorts Finance Ltd	5.75%	21.07.2028	1.9
GC Treasury Center Co	6.50%	10.09.2049	1.8
Aldar Properties PJSC	6.62%	15.04.2055	1.8
Yinson Production Offshore Pte	9.63%	03.05.2029	1.6
Zurich Finance Ireland	3.00%	19.04.2051	1.5
Ma'aden Sukuk Ltd	5.25%	29.01.2036	1.5
Thaioil Treasury Center Co Ltd	6.10%	15.01.2049	1.5

PERFORMANCE RECORD

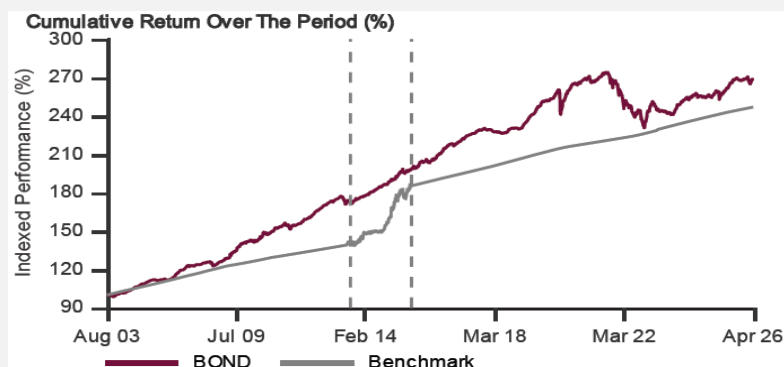
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

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*	0.00	0.93	-0.23	4.01	9.65	1.67	18.28
Benchmark	0.67	0.16	1.01	2.15	7.70	12.51	23.32

* 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

- April delivered a sharp round-trip across energy and rates as shifting US–Iran developments dominated cross-asset performance. Early-month optimism around a temporary easing of Middle East risk — including Iran’s declaration that the Strait of Hormuz was “open” and an extension of the US–Iran ceasefire — proved short-lived, as traffic controls remained effectively in place and the IEA flagged continued disruption to roughly 14 mb/d of global oil supply. Brent crude consequently traded a volatile ~USD30 range, falling to USD83 mid-month before rebounding above USD105 and briefly touching USD114 by month-end, underscoring that the situation remains fluid and structurally unresolved.
- Energy volatility fed directly into rates, with US 10-year Treasury yields oscillating between 4.22% and 4.39% and ending near 4.30% as firmer oil prices, a strong 1.7% MoM March retail sales print, and hawkish FOMC minutes reinforced a tighter policy bias; markets now price no rate cuts through 2026, prompting us to revise our easing outlook lower to 0–25 bps.
- Credit markets were resilient, with spreads tightening across quality segments and high yield retracing March widening, although pockets of stress persist in private credit.
- In Malaysia, fixed income conditions were supportive, with the 10-year MGS yield declining 7 bps to 3.56%, underpinned by contained inflation, as March CPI rose 1.7% year-on-year.

STRATEGY:

- Portfolio construction remained defensively oriented amid heightened volatility, with our core allocation to mid-duration, high-quality investment grade bonds continuing to provide effective insulation against the rate sell-off. Duration was proactively reduced to 4 years during the month, materially lowering the portfolio’s sensitivity to rising yields, while our active FX framework ensured currency risks were tightly controlled; we maintained selective long exposure to AUD, supported by our range-bound view on AUD/MYR.
- Geopolitical tensions weighed on our prior 5% allocation to Abu Dhabi and Saudi Arabian issuers, detracting 24 bps as regional sentiment weakened, though we view this as a relatively contained outcome given the scale of disruption; exposure has since been trimmed to 3.8% as a precaution, with risk-reward under ongoing review.
- Overall portfolio metrics remain robust, with a yield of 5.2% offering an attractive entry point for long-term returns, an average credit rating of BBB+, duration at 4 years, and a predominantly USD-oriented exposure (corporates and a small MBS allocation), followed by AUD and EUR. MYR bond exposure has been gradually exited to enhance carry and now stands at 8%, while cash levels remain low at 1%, reflecting continued conviction in selective deployment of capital.

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	<p>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.</p> <p><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.</p>

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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.