

Sun Life Malaysia
Select Bond Fund

August 2025



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	14.73 million units (29 August 2025)	Fund Size	RM17.30 million (29 August 2025)
Unit NAV	RM1.1745 (29 August 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

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SECTOR ALLOCATION OF THE TARGET FUND

Banks	25.20%
Insurance	12.80%
Energy	11.20%
Industrials	9.80%
Real Estate	7.80%
Utilities	7.00%
Financial Services	6.70%
Technology	2.70%
Consumer Staples	2.50%
Consumer Discretionary	2.50%
Telecommunications	2.30%
Basic Materials	1.40%
Others	2.00%
Cash And Cash Equivalent	6.10%
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	4.20%	16.11.2027	2.2
HDFC Bank Ltd	3.70%	25.08.2026	1.9
Telefonica Europe BV	5.80%	15.01.2032	1.9
Macquarie Bank Ltd	6.10%	08.03.2027	1.8
Aldar Properties PJSC	6.60%	15.04.2055	1.7
Riyad Sukuk Limited	6.20%	14.07.2035	1.5
Yinson Production Offshore Pte	9.60%	03.05.2029	1.5
IOI Investment L Bhd	3.40%	02.11.2031	1.4
Eco World Perpetual Cap Bhd	4.60%	20.08.2035	1.3

PERFORMANCE RECORD

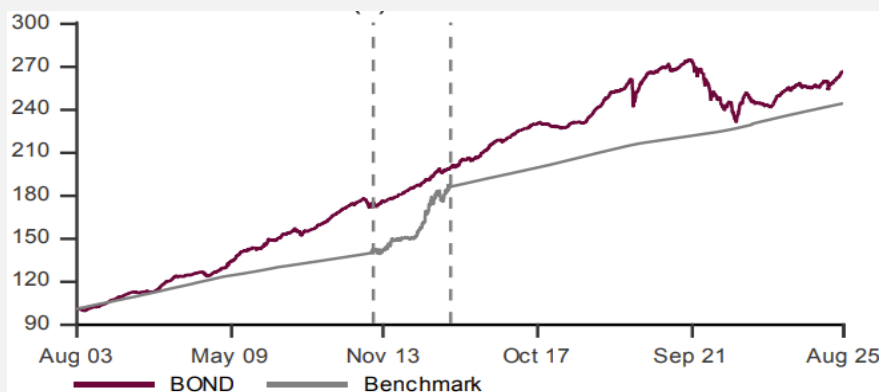
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 29 August 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	4.24	0.85	2.68	4.38	9.40	2.16	17.45
Benchmark	1.58	0.17	1.18	2.43	8.18	12.35	21.68

* 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 August 2025, global financial markets grappled with US President Trump's escalating influence on the US Federal Reserve. The move tilted short-term rate expectations dovish, but long-term yields rose instead amid intensifying inflation expectations and US debt concerns. However, softer labor market raised prospects for a September policy rate cut. The month was also marked by escalating US-China trade disputes, with Trump announcing 100-300% tariffs on semiconductor imports while providing exemptions for companies manufacturing in the United States, sparking fears of widespread trade disruptions.
- Domestically, the Malaysian Government Securities (MGS) market remained relatively stable throughout the month and displayed resilience amid renewed global trade tensions, particularly following US President Trump's aggressive semiconductor tariff announcements. The benchmark 10-year MGS ended August at 3.40%, representing a modest 2 basis points ("bps") increase from the previous month, though yields remained 39 basis points lower year-over-year. Yield curve bull steepened as 3-year MGS fell by 7 bps to 3.02% following a relatively dovish global sentiment. At the ultra-long end, the 30-year MGS continued to inch lower by 4 bps to 3.88% following a series of soft CPI print.
- Looking ahead, domestic bond yields are likely to trend within a narrow range as markets await clarity on Trump's tariff stance and monitor Federal Reserve Chair Jerome Powell's guidance on monetary policy. The persistence of trade uncertainties may benefit Malaysian government securities through continued safe haven flows, particularly given Malaysia's investment-grade credit rating and relatively stable political environment.

STRATEGY:

- The Fund continues to benefit from strong carry momentum despite tariff-related headlines. Market sentiment shifted in July as weaker labor data and subdued inflationary pressures led to rising expectations for additional Fed rate cuts through the remainder of 2025. As a result, the U.S. 10-year Treasury yield declined by 15bps to 4.22%, while U.S. IG credit spreads widened slightly and Asia IG credit spreads remained stable.
- The portfolio yield stands at around 5.3% after hedging, supported by stable credit spreads and favorable rate dynamics. Cash levels increased modestly to approximately 6%, while portfolio duration was at 4.8 years. Open FX positions are currently at 6.5% in USD and 3.5% in AUD. MYR allocation is now at 13% as the Fund continues to rotate into foreign bonds to enhance yields, with AUD exposure at 17%.
- Looking ahead, the Manager continues to see value in AUD bonds, which remain attractive with compelling valuations relative to USD markets, and where Australian rates have continued to outperform U.S. rates. With uncertainty around U.S. term premium and fiscal sustainability, diversification remains a key focus, and the Fund has been actively increasing allocations to both AUD and EUR. In addition, the Fund continues to participate in primary issuance in markets such as SGD, which despite being more expensive, have shown resilience and delivered strong performance.

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.

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 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 : 29 August 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.