

# Sun Life Malaysia

## AIIMAN Select Income Fund

March 2025



### FUND OBJECTIVE

To provide investors with regular income stream through Shariah-compliant investment.

### INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly 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 of the target fund.

### FUND DETAILS

Launch Date	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	15.83 million units (28 March 2025)	Fund Size	RM19.98 million (28 March 2025)
Unit NAV	RM1.2622 (28 March 2025)	Target Fund	AHAM Aiiman Select Income Fund (FKA Affin Hwang Aiiman Select Income Fund)
Fund Manager	AHAM Asset Management Berhad	Taxation	8% of annual investment income
Performance Benchmark	70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah 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"> <li>Have a moderate risk appetite</li> <li>Expect incidental growth in capital</li> <li>Want an investment that complies with Shariah requirements</li> </ul>	Fund Management Charges	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund</li> <li>Up to 1.2% p.a. fund management charge is applied on the target fund's NAV by AHAM Asset Management Berhad</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Sukuk & Islamic Money Market Instruments	Shariah-compliant Equities	Cash & Others
Minimum 60% and up to 100%	Minimum 0% and up to 40%	Remaining Balance

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### SECTOR ALLOCATION OF THE TARGET FUND

Industrials	12.10%
Financial Services	12.00%
Utilities	11.50%
Energy	11.10%
Telecommunications	8.50%
Technology	6.90%
Consumer Discretionary	5.70%
Banks	5.30%
Commercial Services	5.30%
Financials	4.50%
Real Estate	3.90%
Consumer Staples	2.60%
Cash & Cash Equivalents	10.60%
Total	100.00%

### TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
SMJ Energy Sdn Bhd	4.67%	26.10.2038	8.20
UiTM Solar Power Sdn Bhd	6.00%	26.04.2030	5.30
MMC Corp Berhad	5.64%	27.04.2027	5.30
Yinson Holdings Berhad	7.50%	08.03.2029	5.20
Celcom Networks Sdn Bhd	5.27%	28.10.2026	5.20

### TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Axis Real Estate Invst Trust	2.20%
Tenaga Nasional Bhd	2.10%
Link REIT	2.00%
Taiwan Semiconductor Manufactu	1.90%
Singapore Telecom Ltd	1.60%

### PERFORMANCE RECORD

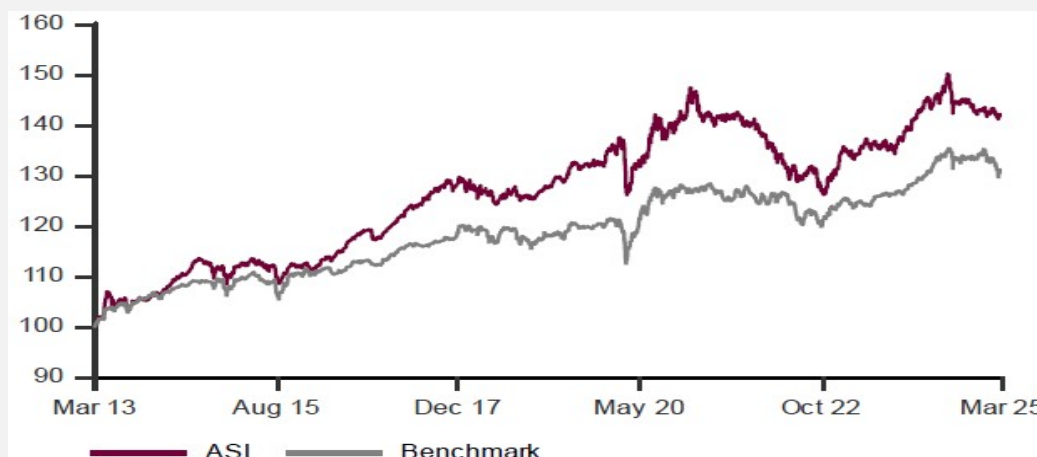
This fund feeds into AHAM AIIMAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AIIMAN Select Income Fund versus its benchmark as at 28 March 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	-0.96	-0.08	-1.62	-1.82	5.98	11.40	26.22
<b>Benchmark</b>	-3.17	-0.59	-1.88	0.67	4.06	12.98	19.87

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

Graph below shows the historical performance of the underlying collective investment schemes (CIS) for the calendar year returns:



Source: MorningStar

## FUND MANAGER'S COMMENTS

- US equities ended the first quarter of 2025 on a softer note, with the S&P 500 falling 5.75% in March amid heightened uncertainty over US trade policy. The constant back-and-forth on tariffs has left businesses hesitant, slowing capital expenditure and dampening on economic growth expectations. This sense of caution is increasingly reflected in economic data, with downward revisions to GDP forecasts and weaker business and consumer sentiment indicators.
- Against this backdrop, the US Federal Reserve (Fed) maintained its policy stance in March, keeping interest rates unchanged at its FOMC meeting. While inflation remains a concern, Fed Chair Jerome Powell downplayed near-term price pressures, calling them transitory. More notably, the Fed reiterated its projection for 2 rate cuts this year despite acknowledging firmer inflationary trends—sending a dovish signal to markets. The US 10-year Treasury yield closed the month at 4.21%, unchanged from February but 36 basis points lower than at the start of the year.
- In Asia, the MSCI Asia ex-Japan Index ended the month nearly flat at -0.16%, reflecting divergence in performance across the region. A weaker US dollar and expectations of lower global interest rates could provide support for Asian economies, particularly as investors look beyond the US for earnings growth. The short-term disruption in the US from tariffs and government spending policies may create opportunities for Asian equities—so long as it does not trigger a severe downturn in the US. India stood out as a bright spot, with the Sensex surging 5.76% on the back of improving economic stability and renewed stimulus optimism. The Reserve Bank of India's latest monetary easing is expected to bolster bank lending and drive growth.
- In March 2025, global fixed income market diverged in response to upcoming risk event: the US tariff announcements. Global growth expectations were dampened on potential US tariff impact to global trades, triggering different responses from global economies. In the US, US Treasury yields fell on expectations of a weaker growth outlook, pricing in more policy rate cuts than the 50bps cut (by end-2025) guided by the US Federal. In large economies, Germany and China announced fiscal stimulus to support local economies, in anticipation of an aggressive US trade policy stance. Germany and China sovereign bond yields shifted higher as a result.
- Domestically, Malaysian bond market was less responsive to external volatility. Malaysia Government Securities ("MGS") sovereign yields was largely unchanged since Dec23 – as ample domestic liquidity from asset managers and pension funds continued to support domestic market. Persistent demand for duration continued to anchor the yield curve, leading to outperformance in long-tenured bonds. Yield seeking activities were also supportive of corporate bonds, with credit spreads tightened to historical lows. Risk-off sentiment at play also saw better foreign participation in March. 3-year, 10-year, and 30-year MGS ended the month at 3.45% (-5 bps), 3.80% (-2 bps), and 4.18% (-2 bps) respectively.

### STRATEGY:

- Cash increased from 3% to 12% in March 2025, slowly re-deploying our position.
- For the equity sleeve, we are underweight Taiwan for a while on risk of Tech decline and now we are Neutral Korea as its cheap.
- We are neutral to slight overweight in China for the equity sleeve, as Asia recovers.
- For China, it is self-sufficient and Govt can do more stimulus to improve the consumer consumption and markets;
- For sukuk sleeve, we have maintained our portfolio durations at a range of 3.5 to 4.0 years (currently at 3.8 years), and portfolio yield is at 4.0%.
- We will remain active in profit-taking and rotating into corporate bonds offering better relative value.
- Reduced our allocation in Govvies slightly.
- We are focusing on sukuk with strong fundamentals and a robust business outlook, while also remaining active in profit-taking and reallocating to issuances that offer better relative value.

## RISKS (CONTINUED)

<b>Liquidity risk</b>	Liquidity risk arises in 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.
<b>Currency risk</b>	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.
<b>Regulatory risk</b>	The investments of the target fund will 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, AHAM Asset Management Berhad seeks to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream medias) in that country. AHAM Asset Management Berhad may dispose its investments in that particular country should the regulatory changes adversely impact the unit holders' interest or diminish returns to the target fund.
<b>Country risk</b>	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 in. 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 to fall.
<b>Reclassification of Shariah status risk</b>	This risk refers to the risk that the currently held Shariah-compliant equities in the target fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the Shariah Advisory Council of the Securities Commission Malaysia (SACSC), the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, AHAM Asset Management Berhad will take the necessary steps to dispose of such equities. There may be opportunity loss to the target fund due to the target fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. AHAM Asset Management Berhad will be required to dispose of these equities immediately if the prices are above the purchase price. Should the prices be below the purchase price, AHAM Asset Management Berhad may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should AHAM Asset Management Berhad decide to dispose of these equities below the purchase price, the target fund will be faced with the risk of realising its losses, thus negatively impacting the NAV of the target fund.

**Source : AHAM Asset Management Berhad**

**Date : 28 March 2025**

### Disclaimer:

This is strictly the performance of the investment fund, and not the returns earned on the actual takaful contributions 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 contributions 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.