Sun Life Malaysia Select Bond Fund

June 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	21.38 million units	Fund Size	RM25.59 million
Unit NAV	RM1.1969	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	25.40%
Industrials	12.50%
Insurance	10.90%
Consumer Discretionary	8.20%
Financial Services	7.10%
Energy	6.90%
Real Estate	5.70%
Basic Materials	4.60%
Telecommunications	4.40%
Technology	3.60%
Government	3.30%
Others	2.70%
Utilities	2.20%
Cash And Cash Equivalent	2.50%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
HDFC Bank Ltd	3.70%	25.08.2049	2.2
Mitsubishi UFJ Fin Group Inc	6.35%	15.01.2049	2.1
Melco Resorts Finance Ltd	5.75%	21.07.2028	2.0
GC Treasury Center Co	6.50%	10.09.2049	2.0
Aldar Properties PJSC	6.62%	15.04.2055	2.0
Sumitomo Mitsui Financial Gp	6.45%	05.06.2049	1.8
Yinson Production Offshore	9.63%	03.05.2029	1.7
Zurich Finance Ireland	3.00%	19.04.2051	1.7
Ma'aden Sukuk Ltd	5.25%	29.01.2036	1.7
Thaioil Treasury Center Co Ltd	6.10%	15.01.2049	1.7

PERFORMANCE RECORD

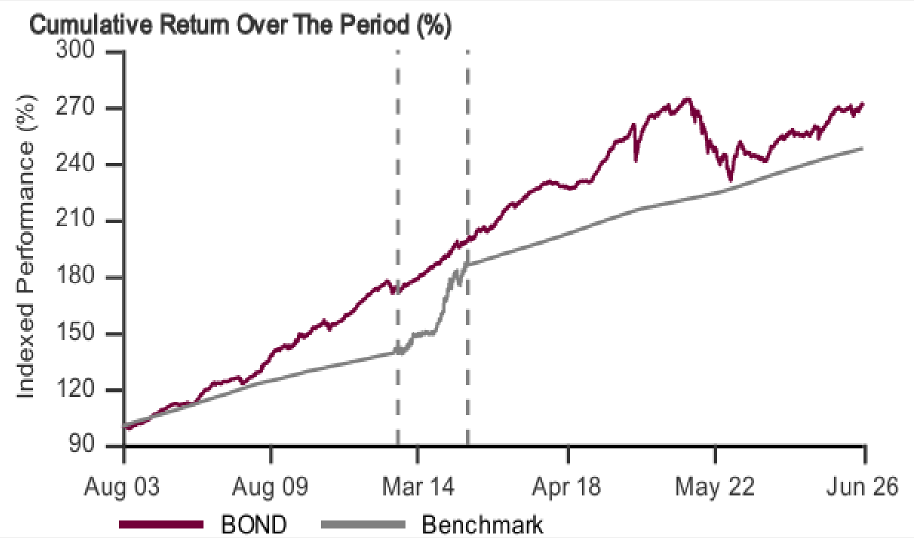
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

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*	1.19	0.57	1.19	3.86	11.42	1.60	19.69
Benchmark	0.99	0.16	0.99	2.07	7.50	12.53	23.72

** 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

- On June 17, the US and Iran signed a 14-point memorandum of understanding, establishing a 60-day window to negotiate final terms on the Strait of Hormuz, sanctions relief, and Iran's nuclear program. The ceasefire remains fragile — Tehran has framed subsequent US strikes as violations of the agreement, and Iran struck Bahrain and Kuwait with missiles and drones on June 28, drawing formal condemnation from both governments. Nonetheless, commodity has been quick to reprice, as Brent declined a further 26% to USD72.92 by June 30, erasing most of the gain accumulated during the conflict.

- June 17 also marked Kevin Warsh's first FOMC meeting as chair. The committee held rates unanimously at 3.50%–3.75%, but with a hawkish tone. The post-meeting statement — historically the market's reference point for forward guidance — was cut to roughly 130 words (from 300+ previously), and prior language signaling an easing bias was dropped. The Summary of Economic Projections ("dot plot") showed a majority of the committee now leaning toward a hike rather than a cut this year on upside inflation risk, while Warsh withheld his own dot from the projections.

- The 10-year Treasury yield spiked initially on the hawkish statement before partially retracing as oil continued to fall, closing June at 4.47% — 3bps higher versus May month-end. The 2-year underperformed, rising 17bps to 4.17% as markets repriced hike odds. Following the hawkish FOMC, markets are now pricing at least one 25bp hike by year-end.

- Credit spreads stayed tight and stable through June.

STRATEGY:

- Our core allocation to mid duration, high-quality investment grade bonds continued to provide a good carry.

- Duration was lengthened to 4.4 years during the month given our view that rates are near the top of their range and that market pricing of rate hike is overdone. We intend to lengthen duration further to closer to 5 years, concentrated at the mid part of the curve.

- The Fund's active FX framework kept currency risk tightly controlled throughout the volatile period. Fund continues to hold on to some long position in AUD, supported by our range view on AUDMYR.

- Portfolio yield remains attractive at 5.5%, offering an attractive level to lock in long term return.

- Duration: Lengthened to 4.4 years as rates are near peak in our opinion.

- Average Credit Rating: BBB+

- Largest Exposure: USD (mostly corporate), followed by AUD and EUR bonds.

- Fund is highly invested at >95%

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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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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

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