

# Sun Life Malaysia

## Select Asia (ex Japan) Quantum Fund

March 2025



### FUND OBJECTIVE

To achieve capital appreciation over the medium to long-term by investing in Asia (ex Japan) equities.

### 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	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	14.91 million units (28 March 2025)	Fund Size	RM22.52 million (28 March 2025)
Unit NAV	RM1.5102 (28 March 2025)	Target Fund	AHAM Select Asia (ex Japan) Quantum Fund (Quantum Fund)
Fund Manager	AHAM Asset Management Berhad	Taxation	8% of annual investment income
Performance Benchmark	MSCI AC Asia (ex-Japan) Small Cap 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 medium to long term investment horizon</li><li>▪ Are risk tolerance</li><li>▪ Are seeking higher returns for their investments compared to the performance benchmark</li></ul>	Fund Management Charge	<ul style="list-style-type: none"><li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Asia (ex Japan) Quantum Fund</li><li>▪ Up to 1.5% p.a. of fund management charge is applied on the target fund's NAV by AHAM Asset Management Berhad</li></ul>

### ASSET ALLOCATION OF THE TARGET FUND

Equities	Cash
Minimum 70% of Net Asset Value (NAV)	Balance of fund

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

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### SECTOR ALLOCATION OF THE TARGET FUND

Health Care	21.20%
Consumer Discretionary	17.80%
Industrials	17.10%
Technology	13.60%
Consumer Staples	8.40%
Financials	7.60%
Basic Materials	2.30%
Telecommunications	1.90%
Energy	1.60%
Cash & Cash Equivalents	8.50%
Total	100.00%

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

Hugel Inc	6.00%
Park Systems Corp	3.00%
Grand Venture Technology Ltd	2.90%
Frontken Corp Bhd	2.80%
Gold Circuit Electronics Ltd	2.70%
Sinbon Electronics Co Ltd	2.50%
DPC Dash Ltd	2.50%
JNBY Design Ltd	2.10%
Devyani International Limited	2.10%
Kinik Company	2.00%
Total	28.60%

### PERFORMANCE RECORD

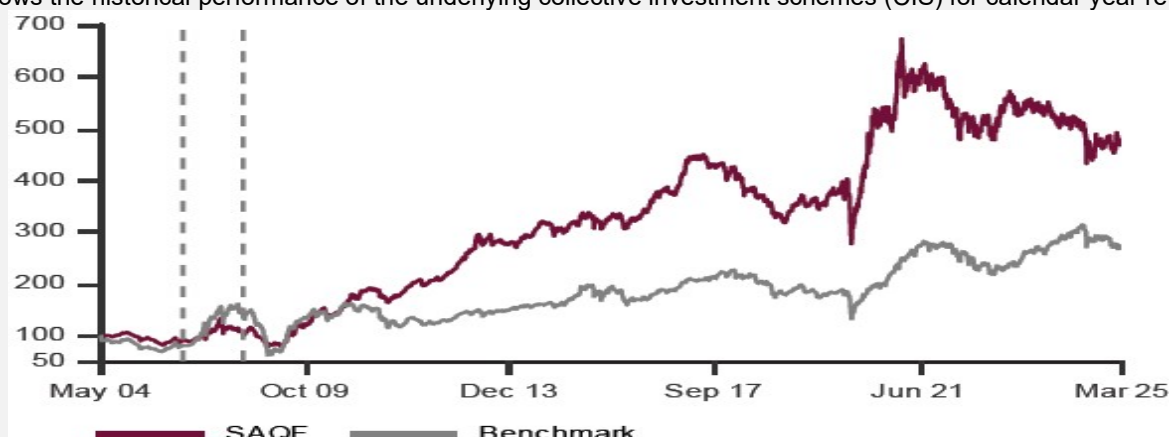
The Fund feeds into AHAM Select Asia (ex Japan) Quantum Fund ("target fund") with the objective of achieving capital appreciation over the medium to long-term by investing in Asia (ex Japan) equities with market capitalization of not more than USD1.5 billion at the time of investment. However, the target fund would also have an option to invest into companies with a market capitalization of not more than USD3.0 billion at the time of investment, which will be capped at no more than 30% of the Net Asset Value (NAV) of the target fund.

Table below shows the investment returns of Sun Life Malaysia Select Asia (ex Japan) Quantum Fund versus its benchmark as at 28 March 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	-1.59	-1.10	2.32	-6.58	-8.30	46.14	51.02
<b>Benchmark</b>	-8.22	-1.30	-7.96	-9.16	1.54	82.08	69.21

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

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

- Asian equities ended March on a volatile note as markets reacted sharply to the announcement of fresh “Liberation Day” tariffs from US President Donald Trump. The MSCI All Country Asia Pacific ex Japan Small Cap Daily Total Return Net Index declined by 1.08% in USD terms. Investors continued to assess the potential fallout from escalating trade tensions, with performance varying significantly across markets.
- China (+2.0%) extended its rally, supported by government stimulus policies and rising investor optimism around generative AI capabilities. Retail sales and industrial output data showed signs of improvement, and the Chinese State Council introduced a “special action plan” to boost domestic consumption. However, Hong Kong equities ended flat, with investors booking profits in Chinese tech names.
- Taiwan (-11.5%) was the region’s biggest laggard, dragged down by heavy selling in major tech names like TSMC amid concerns about potential US tariffs. South Korea (-1.0%) also declined, impacted by fears of trade restrictions across chip, pharmaceutical, and automotive sectors. However, the lifting of the short-selling ban offered some policy tailwinds.
- India (+9.4%) posted a sharp rebound, reversing months of declines. The rally was driven by renewed foreign inflows, improved sentiment around the economy, and lower-than-expected inflation which opens the door to potential rate cuts. This optimism helped lift sentiment across broader emerging markets.
- ASEAN markets delivered mixed results. Indonesia (+6.6%) recovered on regulatory support for corporate share buybacks, while Singapore (+1.9%) saw gains on the back of falling core inflation and relative macro stability. On the other hand, Thailand (-2.3%) and Malaysia (-1.7%) underperformed due to persistent macroeconomic concerns and political uncertainty. The Philippines benefited from easing inflation, supporting domestic sentiment.

#### STRATEGY:

- The fund recorded a return of (-2.5%) for March, underperforming its benchmark, the MSCI AC Asia ex Japan Small Cap Index, which declined by (-1.3%) over the same period. The underperformance was primarily attributed to the fund’s exposure to North Asian markets that were more vulnerable to escalating trade tensions and geopolitical concerns.
- Key contributors included India, where the fund benefited from increased exposure to high-conviction large-cap stocks aligned with long-term structural growth. The fund’s allocation to China also added value, especially in companies poised to benefit from stimulus measures and improving consumer demand.
- Taiwan was a major detractor from performance due to heavy foreign outflows and heightened geopolitical concerns. However, the fund has maintained a selective approach, focusing on high-quality names with diversified revenue exposure to mitigate downside risks.
- In ASEAN, the fund benefited from exposure to Singapore and Indonesia while tactically reducing holdings in Thailand and Malaysia due to lackluster earnings visibility and policy-related overhangs.
- The investment strategy remains anchored in bottom-up stock selection, focusing on companies with strong fundamentals, attractive valuations, and clear structural growth drivers. The fund retains a flexible approach, maintaining 8.6% in cash to navigate ongoing volatility and deploy capital into high-quality opportunities as they arise.

## 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.

### Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the target fund's NAV.

### Credit and default risk

Credit risk relates to the creditworthiness of the issuers of the debentures or money market instruments (hereinafter referred to as "investment") and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers 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 debentures or money market instruments (hereinafter referred to as "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.

### Warrants investment risk

The value of the warrants will depend on the pricing of the underlying security, whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying security may be offset by aggressive time decay. We may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.

### Country risk

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. 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.

## RISKS (CONTINUED)

All investment carries some form of risks. The potential key risks include but are not limited to the following:

### 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. 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.

#### 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 (other than in MYR) may result in a depreciation of the value of the investments as expressed in the base currency of the target fund.

### 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 policy owners' interest or diminish returns 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 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.