

Sun Life Malaysia  
Select Bond Fund

April 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	12.47 million units (30 April 2025)	Fund Size	RM14.18 million (30 April 2025)
Unit NAV	RM1.1372 (30 April 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: <ul style="list-style-type: none"><li>Have a medium to long term investment horizon</li><li>Risk averse and conservative</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 Bond Fund</li><li>Up to 1.0% p.a. of fund management charge is applied on the Target Fund's NAV by AHAM Asset Management Berhad</li></ul>

ASSET ALLOCATION

Bonds	Cash
Minimum 70% of Net Asset Value (NAV)	Maximum 30% of NAV

# Sun Life Malaysia Select Bond Fund

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## SECTOR ALLOCATION OF THE TARGET FUND

Banks	27.00%
Insurance	12.60%
Energy	9.40%
Utilities	9.20%
Industrials	7.60%
Financial Services	7.40%
Government	7.10%
Real Estate	5.90%
Consumer Discretionary	4.20%
Consumer Staples	2.30%
Basic Materials	1.90%
Telecommunications	1.60%
Others	1.80%
Cash And Cash Equivalent	2.00%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Bank Negara Indonesia	4.30%	24.03.2049	2.3
Dialog Group Bhd	4.15%	16.11.2049	2.1
Dai-ichi Life Holdings Inc	6.20%	16.01.2049	1.9
HDFC Bank Ltd	3.70%	25.08.2049	1.8
Macquarie Bank Ltd	6.13%	08.03.2049	1.7
Aldar Properties PJSC	6.62%	15.04.2055	1.6
Meiji Yasuda Life Insurance Co	5.80%	11.09.2054	1.5
United States Treasury N/B	4.25%	31.05.2025	1.4
Dah Sing Bank Ltd	7.38%	15.11.2033	1.4
SUCI Second Investment Company	4.88%	08.05.2032	1.4

## PERFORMANCE RECORD

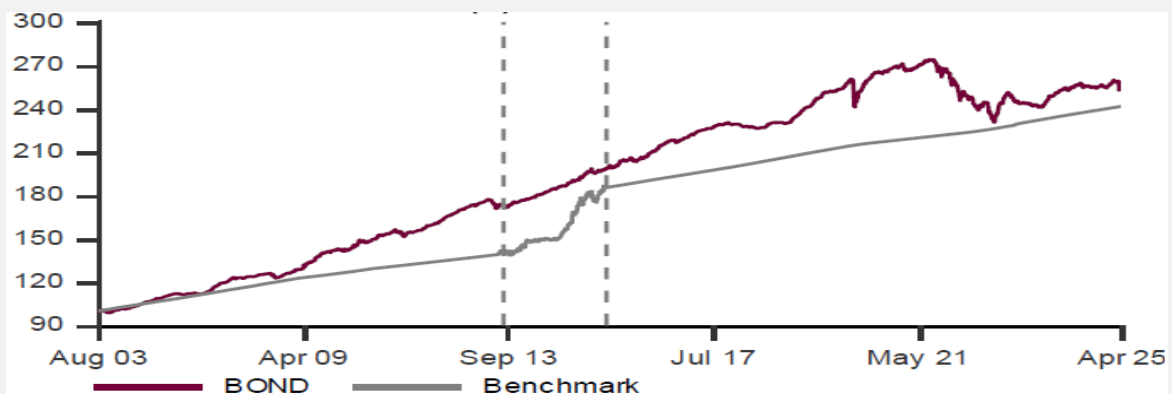
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 30 April 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	0.93	-0.25	1.29	2.04	4.10	3.59	13.72
<b>Benchmark</b>	0.81	0.20	1.23	2.53	8.14	12.25	20.17

\* 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](http://www.morningstar.com)

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## FUND MANAGER'S COMMENTS

- In April 2025, U.S. Treasuries (USTs) experienced a volatile trading environment, hitting a high of 4.49% driven by a “Sell America” sentiment coupled with concerns over the long-term viability of U.S. debt, and a low of 3.99% amidst tariff-related uncertainty. While jobless claims and home sales data showed minimal tariff impact, sentiment gauges like Fed surveys and PMIs pointed to weakening business activity. Several voting FOMC members have struck a dovish tone, indicating potential rate cuts conditional on labour market conditions and characterising tariff-induced inflation as temporary. Markets are now pricing in a 60% chance of a 25bps cut in June, with futures now pricing in 3–4 cuts by the end of 2025.
- The U.S. tariff trade war remains an evolving situation—with the ultimate consensus being a slowdown in global growth, suggesting easier monetary policy conditions. The path for inflation in the U.S. remains uncertain, with inflation likely rising; however, lower energy prices, stronger EM FX, and China trade diversion could prove deflationary for the rest of the world. Bilateral trade deals offering tariff relief and clarity on future tariff policy remain key.
- Domestically, local government bonds (MGS/GII) saw lower yields across the curve, led by the short end to belly, as softer inflation and slower growth reinforced speculation of a possible BNM rate cut as early as July. The 3Y, 10Y, and 30Y MGS ended the month at 3.24% (-21bps), 3.68% (-12bps), and 4.10% (-7bps), respectively.
- Malaysia's March CPI eased to +1.4% YoY, the lowest since February 2021, while core inflation remained stable at +1.9% YoY despite minimum wage hikes. Advanced estimates for 1Q25 GDP slowed more than expected to +4.4% YoY due to moderation in most sectors except agriculture, with downside surprises largely in construction and maintenance-related disruptions in mining activity. Nevertheless, actual 1Q GDP (to be released on 16th May) may outperform, supported by strong net exports data in March (+6.8% YoY), bringing the trade surplus to MYR 24.7 billion, the highest since June 2023, due to front-loading activities. Consequently, export growth is expected to moderate in 2Q25.

## STRATEGY:

- The portfolio remains diversified, with ongoing efforts to increase foreign bond allocations. In April 2025, credit spreads sold off significantly as risk assets took a dip post Liberation day. However, credit spreads have recovered 70-80% of losses by month end as risk sentiment improved. Moving into May 2025, the portfolio yield is high at close to 6%, while sitting on approximately 3% cash and portfolio duration was extended to 5 years via rates in various markets including Malaysia, Singapore, Australia and US. The AUD open FX position was closed while USD open FX exposure is at 2%. On positioning front, the portfolio continued in reducing MYR allocation which is currently at 18% while increasing foreign bonds for additional yields. The portfolio continues to like AUD and USD bonds. The sales proceeds from MYR bonds will likely be rotated into these two space. Target to continue to reduce MYR portion to 15-18%; while increase USD portion (target alloc: 55-60%) and AUD portion (target alloc: 15-20%).

## 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.

RISKS

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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 : 30 April 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.