

Sun Life Malaysia
Select Bond Fund

October 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	15.28 million units (31 October 2025)	Fund Size	RM18.12 million (31 October 2025)
Unit NAV	RM1.1855 (31 October 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">Have a medium to long term investment horizonRisk averse and conservative	Fund Management Charge	<ul style="list-style-type: none">Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Select Bond FundUp to 1.0% p.a. of fund management charge is applied on the Target Fund's NAV by AHAM Asset Management Berhad

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	23.20%
Insurance	12.70%
Industrials	10.30%
Real Estate	9.20%
Energy	8.90%
Financial Services	7.60%
Utilities	7.50%
Telecommunications	3.00%
Technology	2.70%
Consumer Discretionary	2.50%
Consumer Staples	2.00%
Others	2.40%
Government	1.30%
Cash And Cash Equivalent	6.70%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Bonds Issuer	Coupon	Maturity Date	%
Bank Negara Indonesia	4.30%	24.03.2027	2.5
HDFC Bank Ltd	3.70%	25.08.2026	1.9
Telefonica Europe BV	5.75%	15.01.2032	1.9
Aldar Properties PJSC	6.62%	15.04.2055	1.8
Dialog Group Bhd	4.15%	16.11.2027	1.8
Macquarie Bank Ltd	6.13%	08.03.2027	1.8
Yinson Production Offshore Pte	9.63%	03.05.2029	1.5
Maf Sukuk Ltd	4.88%	22.10.2035	1.5
IOI Investment L Bhd	3.38%	02.11.2031	1.4
Eco World Perpetual Cap Bhd	4.50%	20.08.2032	1.4

PERFORMANCE RECORD

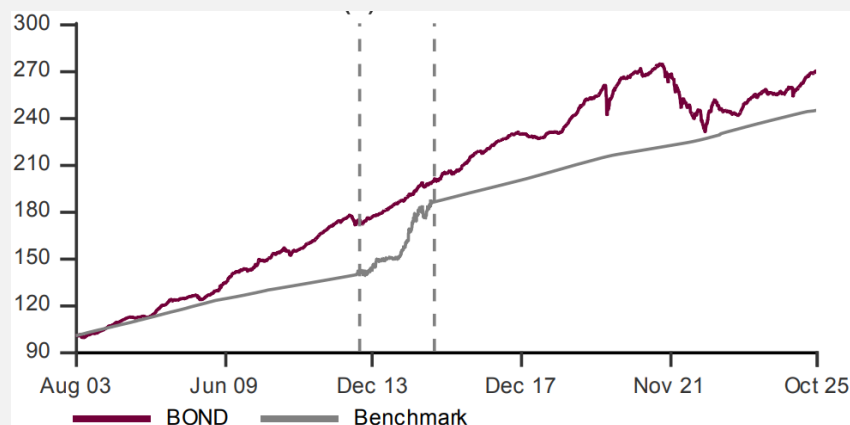
This fund feeds into AHAM Select Bond Fund ("Target Fund") with the objective to provide a steady income stream over the medium to long-term period through investments primarily in bonds and other fixed income securities.

Table below shows the investment returns of Sun Life Malaysia Select Bond Fund versus its benchmark as at 31 October 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	5.22	0.24	4.25	5.59	15.88	2.81	18.55
Benchmark	1.95	0.18	1.13	2.37	8.11	12.41	22.11

* 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 October 2025, the U.S. Federal Reserve cut its benchmark interest rate by another 25 basis points at its October meeting, bringing the federal funds rate (FFR) target range to 3.75%-4.00%. This marked the second rate cut after the September cut. UST yield curve eased with UST 2-year, 10-year and 30-year ended October at 3.57% (-3 bps), 4.08% (-7 bps) and 4.65% (-8 bps) MoM respectively.
- Dot plot indicates split between policymakers who favor one more 25bps cut in December and those who prefer a more gradual approach. Notably, in October FOMC meeting, Stephen Miran voted in favor of a 50bps rate cut, while Jeffrey Schmid dissented by calling for no rate cut. Fed's chair Jerome Powell, in the press conference after the recent rate cut, cautioned investors not to expect another interest rate cut in December, hinting that the uncertainty and lack of complete data due to government shutdown could affect the December decision. UST yields surged after Powell's hawkish remarks.
- Domestically, the overall domestic fixed income market cheapened in October in anticipation of heavy corporate bond supply during the month, further pressured by two weak auctions following stronger-than-expected GDP numbers that reduced expectations for rate cuts, as well as investors adopting a more defensive stance heading into year end. Underlying fundamentals, however, remain unchanged. MGS yields rose between 2 to 12 bps during the month, led by the ultra-long of the curve (15y to 30y), which bore the brunt of sell off. This reflects a broader market view that BNM is unlikely to ease monetary conditions in the near term. The 3-year, 10-year and 30-year MGS ended October 3.13% (m/m: +1 bps), 3.50% (m/m: +4 bps) and 4.00% (m/m: +8 bps) respectively.
- During the announcement of Budget 2026 on 10 October, Malaysia's GDP is projected at 4.0-4.5% in 2026 (against 4.0-4.8% for 2025). Growth is expected to moderate amid external headwinds and normalization of government spending, while continue to be supported by private consumption and investment. Meanwhile, inflation is expected to remain manageable between 1.3-2.0% in 2026 (2025e: 1.0-2.0%). Fiscal revenue is projected to grow 2.7% driven by tax base expansion, e-invoicing, and compliance measures. Expenditure to reach a new high of MYR 419.2bn, equivalent to 19.7% of GDP, leaning towards OPEX while DEVEX plateaued at MYR 81bn (3.8% of GDP).
- On foreign flows, foreign funds turned net seller in September, reducing their positions after a brief rise the prior month, making YTD inflows to MYR 13.8bn and brought total foreign holdings of MGS + GII lower MoM to MYR 268.7bn (August: MYR 275.1bn). However, lesser net bond supply in 2026 provides supportive technical as we enter the new year.

STRATEGY:

- As of end October, US treasury yields has moved to 4.10% from prior month's 4.15% and 4.57% at the start of the year. There was US government shutdown since the start of October and that was extended to November, and some crucial official economic data releases were unpublished while other sources of US economic data have been mixed. While the USD have been benefitting from this situation against most currencies, the MYR has performed even stronger, which can be partly attributed to improved fundamentals.
- The Fund is managed from an MYR perspective to reduce risk of FX volatility impacting our investors returns. Maintain a highly FX hedged stance for our fixed income portfolio where USD FX exposure is only 3%. We increased hedging since September, and we expect to hedge more (if not entirely) in November. Despite geopolitical challenges that also involved trade tariffs, credit spreads continued to hold up relatively well. This was supported by monetary easing expectations, resilient corporate fundamentals, as well as good demand for yield carry vs manageable supply of bonds. The portfolio yield stands at around 5.2% after hedging. Portfolio duration was 4.5 years. In terms of breakdown, the fund's biggest is in USD space (corporate and small exposure in MBS), followed by AUD and MYR bonds.
- Looking ahead, the Manager continues to be positive on regional fixed income space as carry remains high. Focus remains on high quality investment grade bonds that tend to be more resilient even during risk off periods.

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 : 31 October 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.