

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	15.36 million units (30 October 2024)	Fund Size	RM19.63 million (30 October 2024)
Unit NAV	RM1.2784 (30 October 2024)	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"> Have a moderate risk appetite Expect incidental growth in capital Want an investment that complies with Shariah requirements 	Fund Management Charges	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia AIIMAN Select Income Fund. Up to 1.2% p.a. fund management charge is applied on the target fund's NAV by AHAM Asset Management Berhad.

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

SECTOR ALLOCATION OF THE TARGET FUND	
Financial Services	11.3%
Industrials	11.0%
Energy	10.4%
Utilities	10.1%
Telecommunications	9.1%
Real Estate	9.0%
Technology	7.6%
Consumer Discretionary	6.6%
Government	5.8%
Banks	5.5%
Commercial Services	5.1%
Consumer Staples	2.9%
Health Care	1.0%
Basic Materials	0.5%
Cash & Cash Equivalents	3.9%
Total	100%

TOP HOLDINGS OF THE TARGET FUND (SUKUK)				
Bonds Issuer	Coupon	Maturity Date	%	
SMJ Energy Sdn Bhd	4.7%	26.10.2038	7.7	
GII	5.4%	15.05.2052	5.8	
MMC Corp Berhad	5.6%	27.04.2027	5.1	
UiTM Solar Power Sdn Bhd	6.0%	26.04.2030	5.1	
Celcom Networks Sdn Bhd	5.3%	28.10.2026	5.0	

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)	
Taiwan Semiconductor Manufac	2.4%
Axis Real Estate Invst Trust	2.1%
Singapore Telecom Ltd	2.1%
Telkom Indonesia Persero TbkPT	2.0%
Alibaba Group Holding Ltd	1.7%

PERFORMANCE RECORD

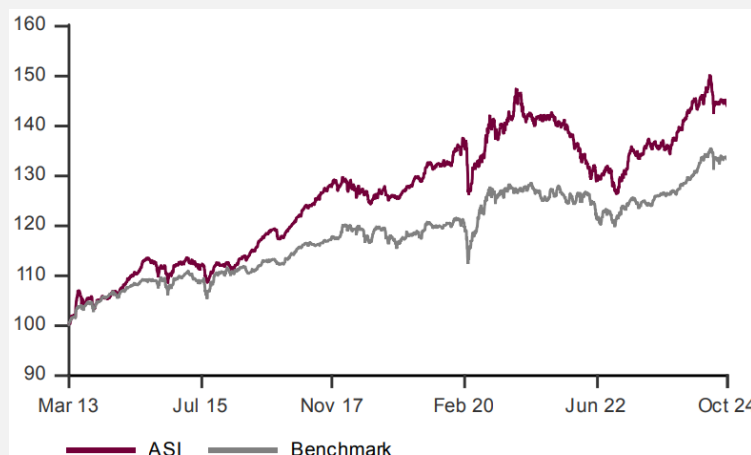
This fund feeds into AHAM AIIAMAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AIIAMAN Select Income Fund versus its benchmark as at 30 October 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	2.90	-0.36	-0.03	6.75	3.19	50.05	77.66
Benchmark	4.64	-0.29	1.00	5.43	4.74	10.78	156.48

* 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 were muted in October, with the S&P 500 index slipping 1.0% as investors sieved through a raft of economic data and earnings reports. Heightened geopolitical tensions in the Middle East, along with mounting uncertainty ahead of the US presidential election also kept investors on the sidelines. Retail sales rose 0.4% in September, surpassing expectations of 0.3% and showing a steady resilience in consumer demand despite higher interest rates. Consumer sentiment reached a six-month high, with the University of Michigan's final October index rising to 70.5, up from 70.1 in September, and beating the preliminary reading of 68.9.
- Meanwhile, earnings season is in full swing, with major US banks reporting better than anticipated results. In the tech sector, ASML, a supplier of semiconductor equipment, delivered solid results despite a miss in its 3Q 2024 order book, likely due to delays from Intel, Samsung, and a normalisation of orders from China. All eyes are on the upcoming US presidential election on 5 November, with betting markets signalling an increased likelihood of a Trump victory and a potential Republican sweep of Congress and the Senate. Such an outcome could pave the way for more reflationary policies and higher fiscal spending.
- In Asia, the MSCI Asia ex-Japan index dropped 4.5%, as the momentum in China equities lost steam. The MSCI China index plunged 5.9%, as investors were underwhelmed by recent policy announcements from Beijing, which lacked more granular details. Nevertheless, the Ministry of Finance reaffirmed its commitment to bolstering the economy, stressing that the central government retains significant policy flexibility to stimulate growth.
- In October 2024, global fixed income market experienced a sell-off, primarily driven by the upcoming US presidential election on 5th November 2024. Volatility heightened as probability of a Trump win continue to rise, raising concerns over his inflationary policies and higher fiscal spending which could elevate bond yields. Probability of a republic sweep over house and senate also mean more drastic policy changes. US Treasuries sold-off with 2-year, 10-year, and 30-year ending the month at 4.17% (+53 bps), 4.28% (+50 bps), and 4.48% (+36 bps) respectively.
- Domestically, there was a RM19.5b Government Investment Issue ("GII") maturity in October, but the released liquidity did little to support domestic bond yields. During the month, market was defensive ahead of government's tabling of 2025 budget which turned out to be market neutral. Fiscal consolidation path remains on track with a fiscal deficit target of 3.8%, translating to a lower gross government bond supply in 2025. The government targets to rationalise RON95 subsidy in the second half of 2025 in a cautious tone, despite headline CPI in Malaysia is on an easing trend (+1.8% yoy in September, versus +1.9% yoy in August).
- External factors were the primary driver for Malaysian fixed income yield movement in October. Foreign principal dealers were main sellers across Malaysian Government Securities ("MGS") yield curve, in conjunction with the global fixed income sell-off. The 3-year, 10-year, and 30-year MGS ended the month at 3.58% (+22 bps), 3.93% (+21 bps), and 4.26% (+6 bps) respectively.

STRATEGY:

- Maintained cash level to approximately 4% in October;
- Added some exposure in ASEAN countries, although we remain cautious with limited adjustments across the stock selections with holistically – market is adopting wait-and-see approach ahead of policy implementation of Tariffs and etc.
- We're comfortable with our China position for now. It will be important to see a continuous follow through on policy announcements that could potentially sustain potential current rally.
- For sukuk sleeve, we have maintained our portfolio durations at a range of 5.1 to 5.4 years, and portfolio yield is at 4.2%;
- No changes to the sukuk sleeves except coordinating a rebalancing action by divesting a highway concessionary paper;
- 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)

Liquidity risk

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.

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.

Regulatory risk

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, Affin Hwang seeks to continuously keep abreast of regulatory developments (for example, by closely monitoring announcements on regulators' website and mainstream medias) in that country. Affin Hwang Affin Hwang 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.

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 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.

Reclassification of Shariah status risk

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, Affin Hwang 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. Affin Hwang 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, Affin Hwang may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should Affin Hwang 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 : 30 October 2024

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.