

FUND OBJECTIVE

To provide investors with regular income stream through Shariah-compliant investment.

FUND DETAILS

Launch Date	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	16.03 million units (30 November 2022)	Fund Size	RM18.61 million (30 November 2022)
Unit NAV	RM1.1613 (30 November 2022)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	AHAM Asset Management Berhad	Target Fund	Affin Hwang Aiiman Select Income Fund
Benchmark	70% 12-month Maybank General Investment Account (GIA) + 30% FTSE Bursa Malaysia EMAS Shariah Index	Taxation	8% of annual investment income
Risk Profile	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 	Fees	<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
Min 60%; Max 100%	Min 0%; Max 40%	Remaining Balance

Sun Life Malaysia

AIMAN Select Income Fund

November 2022



SECTOR ALLOCATION OF THE TARGET FUND

Utilities	18.8%
Industrials	17.6%
Financial Services	10.3%
Telecommunications	9.8%
Energy	7.8%
Consumer Discretionary	5.7%
Real Estate	5.4%
Technology	4.7%
Consumer Staples	4.4%
Banks	4.2%
Financials	4.1%
Others	4.7%
Cash & Cash Equivalents	2.5%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
Celcom Networks Sdn Bhd	5.27%	28.10.26	4.3
MMC Corp Berhad	5.64%	27.04.27	4.3
UiTM Solar Power Sdn Bhd	6.00%	26.04.30	4.2
WCT Holdings Bhd	5.80%	27.09.49	4.2
Lebuhraya DUKE Fasa 3 Sdn Bhd	5.95%	23.08.34	4.2

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Swire Pacific Limited	2.4%
Singapore Telecom Ltd	2.2%
TIME dotCom Berhad	1.6%
Link REIT	1.6%
Taiwan Semiconductor Manufac	1.5%

PERFORMANCE RECORD

This fund feeds into Affin Hwang AIMAN 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 AIMAN Select Income Fund versus its benchmark as at 30 November 2022:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	-5.16	2.59	-1.42	-5.92	-0.39	3.03	16.13
Benchmark	-2.20	1.25	-0.96	-1.75	3.30	5.17	13.44

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

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

FUND MANAGER'S COMMENTS

- The broader MSCI Asia ex-Japan soared 18.7% as the US dollar weakened. China stocks rallied with the Shanghai Shenzhen CSI 300 index up 9.8% buoyed by reopening optimism.
- Beijing announced several new measures to tweak its strict zero-COVID strategy. These include an adjustment of categorisation of COVID risk areas in a bid to minimise the number of people caught up in control measures. Authorities also shortened the quarantine period and will also end its policy to identify "secondary" close contacts.
- The 10-year MGS yield fell 24 bps to end the month at 4.11%. As widely expected, BNM raised the OPR by 25bps on the back of a strong recovery and robust domestic demand. Expectations are that BNM would normalize the monetary policy by another 1 or 2 times or 25-50bps next year on the back of still positive economic growth prospect as well as to manage demand driven inflationary pressures.
- Headline CPI moderated but core continued ticking up. Headline CPI eased for the second straight month as expected to 4.0% y/y in October (Sept: +4.5% y/y), confirming that CPI has seen its peak and will continue to trend lower from here. We noted broadly easier price gains across all key categories with the exception of food, education, and recreation & culture.
- Malaysia's 3Q GDP growth once again beat market expectations, accelerating to 14.2% yoy (market estimates 12.5%) vs. 8.9% yoy in 2Q. QoQ the economy grew by +1.9%, but was also stronger than expected vs. market 0.8% forecast.

STRATEGY:

- The fund's fixed income exposure was maintained at around 70%, while equity exposure was increased to around 28%.
 - We believe the peak in inflation narrative is finally playing out and should trend downwards over the next few quarters. Slower global growth and rising recessionary risk will be positive for fixed income assets. We look to deploy cash to position for next year.
 - Expect BNM to stay ahead by normalising OPR further to be ahead of the curve. We expect another hike of 25bps in January 2022 MPC meeting which will bring OPR to 3.00%. Possibility for another 25bps rate hike will not be ruled out with BNM being data dependant. This will bring the terminal rate to 3.25% in 1H23.
- On government bonds, we turn more positive on the local bonds as expectation of growing macro global headwinds and softer domestic growth may see further yield curve flattening. For credit, preference for primary issuances for yield pick up with preference towards stronger fundamental names. We turn more neutral to slightly long duration.
- We are cautiously optimistic and taking a selective approach, this include sectors like banks, which are expected to see healthy loan growth and improving asset quality. We still like technology companies from a long term perspective, where we see value emerging after the recent heavy selloff, driven by secular growth trends (e.g. 5G, EV, solar energy). Other sectors we favor include property and healthcare, which could benefit from reformist policies & foreign flows.

RISKS

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

Manager's Risk	This risk refers to the day-to-day management of the target fund by Affin Hwang which will impact the performance of the target fund. For example, investment decisions undertaken by Affin Hwang as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error, fraudulent, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the target fund.
Inflation Risk	This is the risk that your investment in the target fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Credit/Default risk	Credit risk relates to the creditworthiness of the issuers of the investment (Sukuk and Islamic money markets instruments) and their expected ability to make timely payment of profit 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 investments, 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.
Counterparty risk	This risk concerns with the target fund's investment in Shariah-compliant derivatives where the other party in an agreement may default on the terms of the agreement. Generally, counterparty risk can be reduced by emphasis on credit analysis of the counterparty to determine its creditworthiness.
Interest rate risk	<p>Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk. When interest rates rise, Sukuk's prices generally decline and this may lower the market value of the target fund's investment in Sukuk. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, Affin Hwang will need to manage the debt portfolio taking into account the coupon rate and time to maturity of the Sukuk.</p> <p>Note: Interest rate is a general indicator that will have an impact on the management of the target fund regardless of whether it is a Shariah-based fund or otherwise. It does not in any way suggest that the target fund will invest in conventional financial instruments.</p>
Stock Specific Risk	Prices of a particular Shariah-compliant 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 Shariah-compliant stock will adversely affect the target fund's NAV.
Shariah-compliant warrants investment risk	The value of the Shariah-compliant 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 Shariah-compliant warrants. In addition, the value of the Shariah-compliant warrants may decrease exponentially as the Shariah-compliant warrants approach their maturity date and the potential gains from a favourable price movement of the underlying security may be offset by aggressive time decay. Affin Hwang may consider unwinding these Shariah-compliant warrants if there are material adverse changes to its value with the aim to mitigate the risk.

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 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 November 2022

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. 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.