

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	15.62 million units (28 June 2024)	Fund Size	RM20.40 million (28 June 2024)
Unit NAV	RM1.3060 (28 June 2024)	Target Fund	AHAM 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 Charge	<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 and Islamic deposits with financial institutions
Minimum of 60% and up to 100% of Net Asset Value (NAV)	Maximum 40% of NAV	The remaining balance of fund NAV

SECTOR ALLOCATION OF THE TARGET FUND

Industrials	20.00%
Technology	14.40%
Financial Services	10.50%
Utilities	11.20%
Energy	9.50%
Telecommunications	8.20%
Real Estate	4.70%
Commercial Services	4.80%
Banks	4.70%
Financials	3.80%
Consumer Discretionary	2.30%
Health Care	1.50%
Consumer Staples	1.10%
Basic Materials	0.80%
Cash & Cash Equivalent	2.50%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
SMJ Energy Sdn Bhd 4.6700%	4.7%	26.10.2038	7.2%
MMC Corp Berhad 5.64%	5.6%	27.4.2027	4.8%
UiTM Solar Power Sdn Bhd 6%	6.0%	26.4.2030	4.7%
Celcom Networks Sdn Bhd 5.27%	5.3%	28.10.2026	4.7%
Yinson Holdings Berhad 7.5000%	7.5%	2.11.2122	4.7%

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

Taiwan Semiconductor Manufac	3.5%
Samsung Electronics Co Ltd	3.3%
Tenaga Nasional Bhd	2.7%
ASE Technology Holding Co Ltd	2.2%
Wiwynn Corp	1.7%

PERFORMANCE RECORD

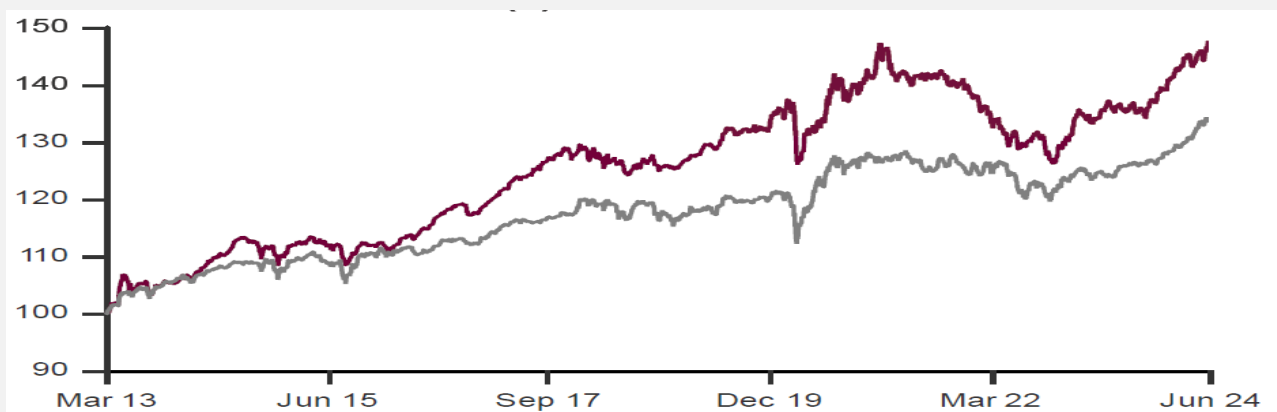
This fund feeds into AHAM AIIMAN Select Income Fund ("target fund") with the objective to provide investors with regular income stream through Shariah-compliant investments. The target fund will invest in a diversified portfolio of Sukuks, Shariah-compliant equities and Islamic money market instruments.

Table below shows the investment returns of Sun Life Malaysia AIIMAN Select Income Fund versus its benchmark as at 28 June 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	5.12	1.95	5.12	7.98	4.08	12.16	30.60
Benchmark	5.13	0.55	5.13	7.97	6.81	11.34	22.74

* 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 advanced in June, with the S&P 500 index rising by 3.50%, as supportive macro data fuelled optimism about potential rate cuts by the US Federal Reserve (Fed). The S&P 500 continued its upward momentum, recording gains of 14.50%, while the tech-centric Nasdaq index posted gains of 18.10% in the first half of 2024. A key inflation gauge closely followed by the Fed aligned with estimates, increasing by a seasonally adjusted 0.1% for the month, marking the smallest increase so far this year. The 12-month core inflation rate cooled to 2.6% also matching forecasts. At its FOMC meeting in June, the Fed kept interest rates unchanged as widely anticipated. In its dot plot, the Fed committee signalled 1 rate cut before the end of 2024, citing incremental progress in lowering inflation. However, the committee telegraphed a more aggressive rate cut path for 2025, revising the projection upwards to 4 cuts from 3 previously.
- In Asia, the MSCI Asia ex-Japan index gained 3.90% in June, with Taiwan and Korea leading the charge. Taiwan's Stock Exchange index surged by 8.80%, while Korea's KOSPI vaulted 6.10%, driven by a significant rally in tech stocks across the region. This uptick follows Apple's announcement of new AI features for its iPhones, which analysts believe will spur a multi-year upgrade cycle that will benefit the tech supply chain. Indian equities continued their upward trend post-election, with the BSE Sensex Index rising by 6.90%. The ruling coalition led by Prime Minister Narendra Modi won the elections but lost its majority as opposition parties gained ground. Conversely, Chinese equities underperformed, with the MSCI China index closing 2.80% lower in June as economic recovery remains patchy. The manufacturing PMI for June stood unchanged at 49.5 in May, marking its second consecutive month in contraction territory. The People's Bank of China (PBoC) left benchmark lending rates unchanged, maintaining the one-year loan prime rate (LPR) at 3.45% and the five-year LPR at 3.95%. The lack of new policy support announcements from a key financial forum held during the month further dampened investor sentiment.
- Back home in Malaysia, the benchmark KLCI closed marginally lower by 0.40% due to profit-taking activities YTD, the KLCI has emerged as one of the best-performing stock markets in the region, posting gains of 9.30% in the first half of 2024. During the month, the government implemented its diesel subsidy rationalisation in Peninsular Malaysia. This measure is expected to save the government around RM4 billion annually. To mitigate the cost increase, the government has introduced policies such as cash aid to eligible individuals and businesses.
- June 2024 was a stable month for Malaysia's fixed income market. Despite a volatile US Treasury market driven by US economy data and updated dot-plot from the Federal Open Market Committee, ample domestic liquidity and demand for duration kept local yields anchored. US headline CPI ("Consumer Price Index") rose by 3.3% yoy in May (April: 3.4%), on a moderating trend. Structural components such as service and shelter remained sticky, pushing back expectations of a dovish tilt from the US Federal Reserve. Ongoing geopolitical tension and political uncertainties in the US also contributed to the volatility. Unemployment rate inched higher to 4.0% in May (April: 3.9%) from recent lows (end-2023: 3.73%), while wage growth is moderating but remain elevated. Nonetheless, overall economic data pointed towards a less robust outlook for the US economy, outweighed concerns surrounding a more hawkish dot-plot released by the US Federal Reserve.

STRATEGY:

- Maintained cash level to approximately 2%; The equity sleeve is tilted towards tech, which is about approximately 14.5% of the fund, with anticipation of mega caps stocks announcing aggressive spending which will have positive impact for Asian tech supply chain;
- Continue to hold Malaysia due to its policy reforms and foreign direct investment (FDI) drive;
- For the sukuk sleeve, we prefer short to mid tenor government bonds/sukuk due to better valuations with target to switch out of bonds/sukuk with tight credit spreads;
- At the corporate bond space, we are cautious of the broad-based tightening in credit spreads. We opine that credit selection is key and will continue to focus on corporate bonds/sukuk with good fundamentals and robust business outlook; and we are looking to lengthen portfolio duration positioning opportunistically, in the near future, current positioned is at 4.4 years, and the portfolio yield on estimation for the sukuk sleeve would be around 4.4%.

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 : 28 June 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.