Sun Life Malaysia Growth Fund

August 2026

FUND OBJECTIVE

To maximize capital growth over the medium to long-term through the stock market.

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	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	24.63 million units	Fund Size	RM93.36 million
Unit NAV	RM3.7901	Performance Benchmark	FBM100
Fund Manager	Principal Asset Management Bhd	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
Taxation	8% of annual investment income	Other Charges	Inclusive of auditor fee
Target Market	Suitable for investors: ▪ have a medium to long-term investment horizon ▪ target capital appreciation ▪ do not require regular income ▪ are comfortable with higher volatility ▪ are willing to take higher risk for potential higher gains	Fund Management Charge	Management Fee: 1.5% p.a

ASSET ALLOCATION OF THE FUND

Equities	Cash
Minimum 80% of NAV and up to 98%	The remaining balance of funds NAV

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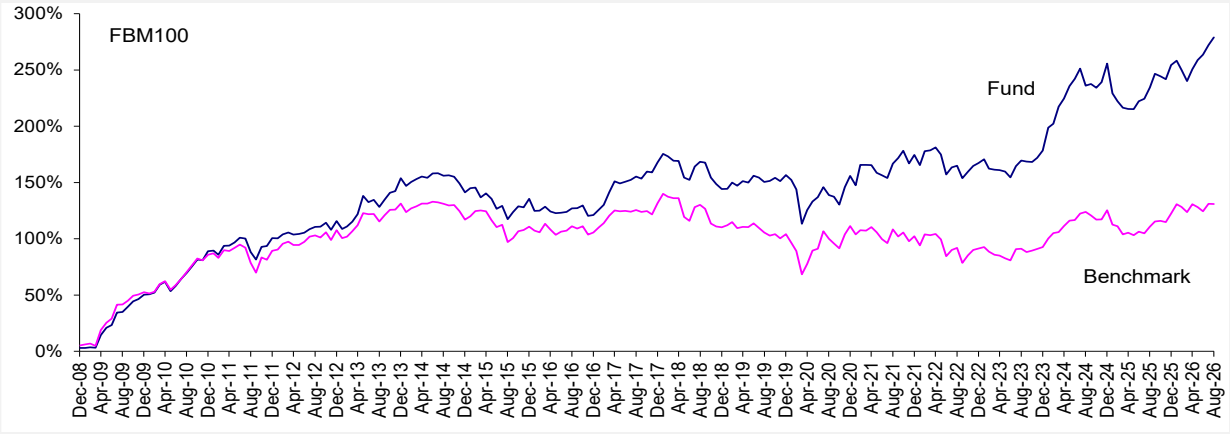
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SECTOR ALLOCATION OF THE FUND	
Financial Services	29.63%
Technology	23.67%
Industrial Products & Services	14.57%
Utilities	11.31%
Energy	4.91%
Construction	4.43%
Plantation	2.89%
Consumer Products & Services	2.66%
Telecommunications & Media	2.38%
Property	0.53%
Cash	3.02%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)	
CIMB Group Holdings Bhd	7.55%
Public Bank Bhd - Local	7.37%
Malayan Banking Bhd	7.04%
Kelington Group Bhd	6.75%
Tenaga Nasional Bhd	6.04%
YTL Power International Bhd	5.12%
Frontken Corporation Bhd	4.70%
Vitrox Corporation Bhd	4.59%
UWC Bhd	4.44%
Solarvest Holdings Bhd	4.03%
Total	57.63%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	6.97	1.87	13.37	40.60	42.04	66.88	279.01
Benchmark	3.86	-0.08	9.59	20.77	10.86	9.38	130.98

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

Source: Lipper

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FUND MANAGER'S COMMENTS

Market review

In August 2026, the Fund rose 1.87%, outperformed the Benchmark by 195 basis points (bps). The outperformance was mainly due to the Fund's overweight in Industrials, the underweight in Communication Services, Discretionary and Financials as well as the selection in Materials and Utilities.

Portfolio Strategy

The FBM KLCI ended flat in August which was partly due to the MSCI rebalancing, triggering a late sell-off. YTD, the KLCI is up 2.7% in the local currency (LCY) but 3.6% in USD terms. Overall sentiment was dented by Fed's renewed hawkishness, widening treasury yields, escalation of US-Iran conflict and ensuing surge in oil prices.

Malaysia's PMI reading eased from 50.7pts in July to 50.2pts - the reading has stayed above 50pts in 8 of the last 10 surveys. According to S&P Global, Malaysia's manufacturing sector lost some momentum as production moderated and growth in new orders eased. Operating performance was quite mixed, with employment rising for the first time in four months but purchasing activity declined. Some manufacturers faced longer lead times for inputs with poor weather conditions, low stock availability and port congestion reasons cited. Positively, both input and selling charges rose modestly with inflation rates easing further. The latest PMI reading still suggests growth rates for both GDP and official manufacturing production should expand going into 3Q26. Malaysia's GDP grew 6% in 2Q26, outperforming BNM's forecast was 4.0-5.0% for 2026. We expect BNM to stay pat on OPR for the rest of the year at 2.75%. Inflation eased further from 1.9% in June to 1.8% in July, mainly due to slower increases in transport cost and services. The central bank forecast inflation of 1.5-2.5% for the year assuming no change to the RON95 subsidies.

The KLCI is now trading at a forward PE of 14.6x, roughly -0.5SD below the 10-year historical mean straddling Covid-19, but still over -2SD below the mean of 16x for the 5-year period preceding 2020 – the period which coincided with the last direct investment boom. Consensus now projects earnings growth for FBM30 of c.8% for 2026 and 7% for 2027. Sustained strength in domestic investments, fiscal consolidation gathering pace and the strengthening of the Ringgit are factors we see supportive of the further narrowing of risk premiums and consequently higher valuation multiples.

Given cautious market sentiment following recent sharp moves in several high-profile names, we continue to favour high-quality, large-cap domestic leaders with resilient earnings, strong cash flows and defensive attributes. We maintain a barbell strategy, balancing these core holdings with selective exposure to fundamentally sound laggards, earnings upgrade candidates and structural growth beneficiaries. Preferred sectors include Financials, Utilities, Construction, Plantations and quality Technology. We expect continued rotational interest towards laggard stocks and sectors, although risks remain from persistent inflation, weaker global growth and heightened geopolitical tensions that could derail Malaysia's economic and earnings recovery.

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RISKS

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

Market risk	Market risk is the risk of negative movement that affects the price of all assets in a particular capital market. The factors influencing the performance of the markets include: • Economic and financial market conditions • Political change • Broad investor sentiment • Movements in interest rate and inflation • Currency risks Stock values fluctuate in response to the activities and performance of individual companies and general market or economic conditions. Such movements in the underlying values of the share of the investment portfolio will cause the NAV or prices of units to fall as well as rise. Market risk is mitigated through careful selection of securities and diversification through spreading of risk across a basket of assets and/or sectors.
Company or security specific risk	There are many specific risks, which apply to individual companies or securities. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market. The risk is mitigated by conducting in-house periodic reviews and analysis. In-house analysis is then supplemented by periodic reviews from rating agencies and market analysts.
Credit risk	The risk of loss of principal or loss of a financial reward stemming from counterparty's failure to repay a loan or otherwise meet a contractual obligation. This risk is primarily applicable to the liquid assets of this fund. Credit risk is mitigated by conducting in-house periodic reviews and analysis. In-house analysis is then supplemented by periodic reviews from rating agencies and market analysts.

Source : Principal Asset Management Bhd

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.