Sun Life Malaysia Islamic Bond Fund

August 2026

FUND OBJECTIVE

To achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

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	01 December 2009	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	20.69 million units	Fund Size	RM36.39 million
Unit NAV	RM1.7585	Target Fund	Opus Shariah Income Fund
Fund Manager	Opus Islamic Asset Management Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	Maybank 12-Month Islamic Fixed Deposit Rate	Frequency and Basis of Unit Valuation	The unit price determined daily based on the value of our holdings in the target fund, net of expenses, divided by the total number of units in that fund
Target Market	Suitable for investors: ▪ Have a medium to long term investment time frame ▪ Are seeking stability in income through investment in Malaysian Shariah-compliant bonds (sukuk) ▪ Are looking for a less volatile investment but can accept lower returns which may fluctuate over the short term	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Bond Fund.

ASSET ALLOCATION OF THE TARGET FUND

Sukuk, Islamic Money Market Instruments & Islamic Placement of Deposits	Other Permitted Investment
Minimum of 70% Net Asset Value (NAV)	Maximum 30% of NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Power	20.37%
Toll Road	14.43%
Property	13.60%
Finance	11.96%
Plantation	11.41%
Water	7.94%
Banks	7.15%
Investment Holding	3.30%
Auto	2.01%
Transportation	1.02%
Industrial	1.01%
Health Care	1.01%
Transport / Port	1.01%
Oil & Gas	0.98%
Cash	2.80%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Sukuk Issuer	Coupon	Maturity Date	Rating	%
CIMB Islamic	4.08%	26.08.33	AAA	9.90
Air Selangor SRI	5.28%	24.07.37	AAA	7.10
YTL Pwr	4.99%	24.03.33	AAA	5.30
LBS Bina (SRI)	4.81%	23.01.32	AA-	5.10
TNB Power (SRI)	5.20%	02.06.42	AAA	4.40

Credit Profile	%
AAA	48.39
AA1	7.02
AA2	20.10
AA3	21.70
Cash	2.80

PERFORMANCE RECORD

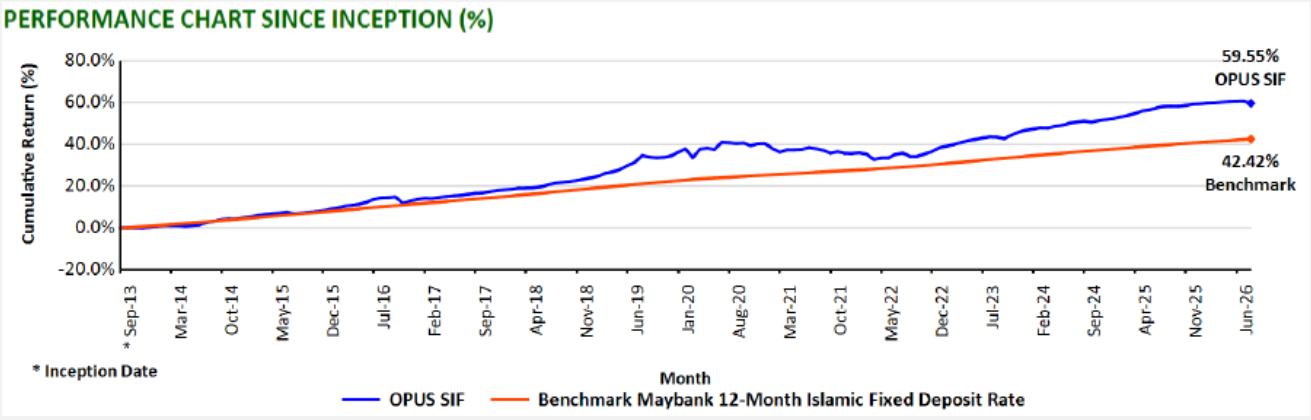
This fund feeds into Opus Shariah Income Fund ("Target Fund") with the objective to achieve higher returns than the benchmark over the medium to long term while preserving capital and providing opportunity for income.

Table below shows the investment returns of Sun Life Malaysia Islamic Bond Fund versus its benchmark:

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	0.53	-0.59	1.27	11.52	15.80	39.97	75.85
Benchmark	1.30	0.14	2.01	7.34	12.53	29.37	58.68

** 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: Opus Asset Management Sdn Bhd

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FUND MANAGER'S COMMENTS

Persistent geopolitical conflicts continue to disrupt global energy markets and critical maritime supply routes have kept Brent crude oil elevated above USD90/bbl and had pushed gold past USD4,500 per ounce. Market volatility likely to remain elevated amid evolving trade policies, fiscal sustainability concerns and shifting interest rate expectations.

In US, inflation moderated as headline CPI eased to 3.4% YoY while core inflation softened to 2.5%, supported de energy prices. Producer prices also surprised on the downside, reinforcing evidence of easing price pressures. Labor market conditions softened, reducing market expectations for a near-term Federal Reserve rate hike. However, market is still pricing the probability of at least one rate hike in 2026. US Treasury markets remained volatile despite Treasury Department reintroduced long-end bond buyback to improve market liquidity and absorb growing treasury issuances. While the announcement initially lowered long-term yields, concerns over widening fiscal deficits, increased in debt burden and rising Treasury supply resulted in yields to revert higher. Robust corporate bond issuance, particularly from companies financing AI-related infrastructure and data centers, competed directly with Treasuries for investors' liquidity as Treasury yields climbed to compensate for higher term premia. Consequently, the 10-years Treasury benchmark yield rose to 4.75%, while the 30-years yield approached 5.30%.

Malaysia's economic momentum remains solid, with final 2Q26 GDP growth revised higher to 6.0% YoY compared to advance estimate of 5.8%, underpinned by stronger manufacturing and mining activity. Inflation remained benign, as headline and core CPI eased to 1.8% YoY in July, allowing Bank Negara Malaysia to maintain OPR at 2.75%. External trade continues to support growth, underpinned by robust demand for electrical and electronic exports amid ongoing global AI cycle. Ringgit appreciated more than 1% to around RM 4.04/USD in August on a weaker US dollar and stable macroeconomic conditions.

Malaysian Government Securities (MGS) yields shifted higher across the curve, tracking the rise in global bond yields amid increased domestic supply. The benchmark 10-years MGS yields rose 8 bps to 3.79%, while the 20-years and 30-years tenors climbed to 4.13% and 4.22%, respectively. Robust corporate bond issuance intensified investment competition for capital and exerted upward pressure on market yields. Foreign investors recorded a net outflow of RM5.6 bn from Malaysian bond market in July, primarily due to maturity-related reinvestment dynamics and heavy auction supply. Looking ahead, we maintained our tactical duration range at 4.0 to 5.0 years to insulate the portfolios against external yield shocks. We continue to overweight high-quality corporate Sukuks, supported by resilient balance sheets and strong credit fundamentals, which continue to offer attractive carry opportunities while providing a prudent balance between yield enhancement, capital preservation and risk-adjusted returns.

RISKS (CONTINUED)	
Non-compliance risk	This involves the risk of fraudulent acts or the risk that rules set out in the governing deed or law that govern the target fund's operations or internal policies and procedures are not being complied with (e.g. human and system errors), which may result in loss to the target fund. The risk is reduced through the establishment and implementation of appropriate compliance guidelines and stringent internal control policies.
Interest rate risk	Investments in debt securities are subject to the risk of profit rate fluctuations. Prices of debt securities will normally move in the opposite direction of interest rates. A rise or fall in interest rates will cause a fall or rise respectively in prices of debt securities. The target fund may experience a capital loss or gain respectively should the debt securities be sold before maturity. Opus AM adopts a top-down investment approach to ensure a thorough evaluation of macro-economic factors is undertaken in order to form an interest rate view. Opus AM will develop the portfolio maturity structure based on their interest rate view to capitalise on expected movements in interest rates. In addition, it is also intended to have maturity diversification to ensure limited impact on the portfolio value in case of adverse changes in interest rate direction. Note: The interest rate is a general indicator that will have an impact on the management of funds regardless if the target fund is a Shariah fund or otherwise. All the investments carried out for the target fund are Shariah-compliant.
Equity risk	The target fund is allowed to hold redeemable Sukuk that are convertible into equity. In the event Opus AM chooses to convert the redeemable Sukuk into equity, the target fund will be exposed to equity risk. Equity risk refers to the performance of the equity securities that is much more volatile and difficult to predict as compared to Sukuk. The effect of such volatility and unpredictable performance of the equity securities may have an adverse impact on the target fund's NAV per unit. However, this risk is limited as Opus AM will sell the said equity within 3 months from the date of conversion.
Concentration risk	The target fund is susceptible to the concentration risk. As the target fund has no limit restriction for money placements or deposits with any single financial institution, there is a possibility that the target fund may be exposed to a single financial institution. The target fund may also be exposed to a single or group issuer limits if the NAV is RM30 million and below. The concentration risk is managed through the monitoring of credit analysis conducted on financial institutions and issuers.
Liquidity risk	Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volume traded on the market. This risk is more pertinent to Sukuk and Islamic money market instrument of the target fund in view that such investments are generally not as easily liquidated as compared to equities. In the event some of the Sukuks and Islamic money market instruments of the target fund are not actively traded, there is a risk Opus AM may not be able to easily liquidate such investments and as a result, investors may face difficulties in redeeming their units.

RISK (CONTINUED)	
Credit and Default risk	This risk can be referred to: 1. Issuer's creditworthiness This risk is intrinsic with the target fund's investments in Sukuk and refers to the issuer of the Sukuk's creditworthiness and its expected ability to repay debt. Default happens when the issuer is not able to make timely payments of profit on the coupon payment date or principal repayment on the maturity date. If default happens, this will cause a decline in the value of the defaulted Sukuk and subsequently affect the target fund's NAV per unit. Opus AM minimises the target fund's credit risk by adopting the following: • Conducting thorough credit analysis before any investment to ascertain the creditworthiness of different issuers; and • Diversifying the portfolio by investing in different issuers, if possible. 2. Financial institutions' creditworthiness This risk refers to a financial institution that is a party to the trade or placement contract of the target fund, may default in its payment. Opus AM minimises the target fund's credit and default risk by conducting a thorough credit analysis on the financial institutions' creditworthiness. With regards to the trading of the target fund's Sukuk, the risk is minimised by dealing only with any financial institution via Real Time Electronic Transfer of Funds and Securities ("RENTAS") system.
Inflation/Purchasing Power Risk	Inflation can be described as increases of price level of goods and services and is commonly represented using the consumer price index. High inflation reduces the purchasing power of a fixed sum of money. In an inflationary environment, fixed rate securities are exposed to higher inflation risk than inflation-linked securities. The investor's investment in the target fund may not grow proportionately to the inflation rate. This will then decrease the investor's purchasing power even though the investment in monetary terms may have increased.

Source : Opus Asset Management Sdn Bhd

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.