Sun Life Malaysia Balanced Stable Fund

September 2026

FUND OBJECTIVE

To provide a mixed exposure into equities and bonds, with higher allocation in bonds.

INVESTMENT STRATEGY & APPROACH

The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund according to a predefined asset allocation.

The Sun Life Malaysia Growth Fund combines a top down asset and sector allocation process with a bottom–up stock selection process. The asset allocation process is made after a review of macroeconomic trends in Malaysia and for the major economies. In particular, we consider the direction of GDP growth, interest rates, inflation, currencies and government policies. We next assess their impact on the various sectors, together with sector specific parameters to predict any discernible trends or themes. These trends or themes form the basis of our sector selection. Stock selection is based upon improving fundamentals and attractive relative valuations. Rising investor sentiment is an additional criterion. While we use a number of valuation methodologies, the price-earnings ratio is still preferred.

For the Sun Life Malaysia Conservative Fund, the strategy will be reviewed periodically based on the country's economic and bond outlook. We will adopt an active trading strategy and will be especially selective in buying and selling of securities for the Fund. We formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit rating for the Fund. As part of the risk management strategy, the Fund is constructed and managed within the predetermined guidelines. Essentially, we monitor the bond portfolio according to duration, credit ratings and sector.

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	0.96 million units	Fund Size	RM1.86 million
Unit NAV	RM1.9283	Performance Benchmark	25% FBM100 + 75% 12 month FD
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: ▪ Want a diversified portfolio in equities but higher exposure in bonds ▪ Prefer less volatile performance and want slightly higher gains than bond return	Fund Management Charge	The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges: ▪ Sun Life Malaysia Growth Fund: 1.5% p.a ▪ Sun Life Malaysia Conservative Fund: 1.0% p.a ▪ There are no other fund management charges on this fund.

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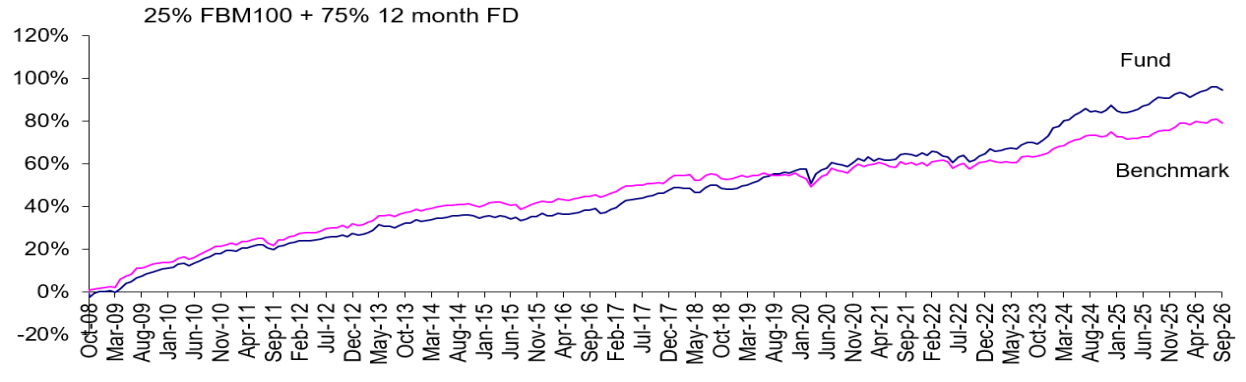
ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
75.00%	25.00%

WHERE THE FUND INVESTS

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
75.10%	24.87%	0.03%	100.00%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	1.01	-0.85	1.74	14.53	18.18	40.55	94.42
Benchmark	1.06	-0.86	2.26	9.90	12.16	23.77	79.14

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

Source: Lipper

FUND MANAGER'S COMMENTS

In September 2026, the Fund's performance decreased by 0.85%, outperforming the benchmark by 0.01%.

The FBM KLCI fell 4.3% in September. Sentiment was significantly eroded by widening US Treasury yields - which rose to a 24-year high - and the unabated US-Iran conflict.

Malaysia's PMI reading eased from 50.2pts in August to 49.9pts in September, marking the first reading below 50pts in 4 months - the reading stayed above 50pts in 8 of the last 11 surveys. According to S&P Global, Malaysia's manufacturing sector still signaled broadly stable operating conditions albeit a renewed moderation in new orders and slowdown in production. Encouragingly, employment continued to rise modestly, firms accumulated stocks, and inflationary pressures continued to ease. Business confidence waned due to external uncertainties, but the expansion in employment and stock accumulation suggest that firms remain willing to expand capacity despite the headwinds. The latest PMI reading still suggests solid rise in GDP growth, alongside manufacturing growth, for 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 rate was 1.9% in August, up slightly from 1.8% in July – still in line with the central bank forecast of 1.5-2.5% for the year assuming no change to the RON95 subsidies.

Malaysia's economic outlook remains resilient, supported by domestic demand, E&E exports, private investment, and tourism activity. However, geopolitical tensions, tighter global financial conditions, and evolving political developments ahead of GE16 remain key risks to growth and market sentiment.

From a bond market perspective, October's heavier government bond supply and increased Q4 corporate issuance could create near-term technical headwinds. Nevertheless, recent yield sell-offs have improved valuations, particularly in the front-to-intermediate segment of the MGS curve, while credit demand remains concentrated in shorter and intermediate tenors.

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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 and/or securities 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.
Interest rate risk	Interest rates are inclined to fluctuate over time. A rise in the general level of interest rates will result in a decline of the value of all bonds and fixed interest securities. Hence a bond fund's NAV will most probably decrease with the rise of interest rates. Maintaining an appropriate diverse mix of assets with different yield and maturity profiles will lessen the impact of interest rate risk.
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 volumes traded on the market. Liquidity risk is mitigated through the selection of stocks with an active trading volume in the open market. This ensures that exit strategies can be executed with little/minimal impacts to price fluctuations.
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	Credit risk refers to an issuer's ability to make timely payments of profit and principal. In the event that the issuer of the instrument is faced with financial difficulties, leading to a decrease in their credit worthiness (i.e Bond prices will change/drop in the event of rating downgrade) and default in the payment of profit and principal, the value of the fund may be adversely affected. 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.