

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	28.08 million units (30 May 2025)	Fund Size	RM88.51 million (30 May 2025)
Unit NAV	RM3.1519 (30 May 2025)	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: <ul style="list-style-type: none">▪ 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	Up to 1.50% per annum of the NAV of the fund. These fund management charges are accrued on a daily basis.

ASSET ALLOCATION OF THE FUND

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

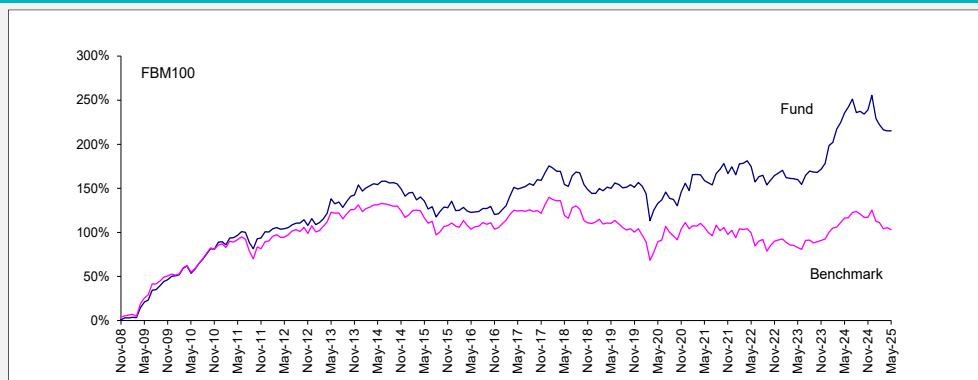
SECTOR ALLOCATION OF THE FUND

Financial Services	28.68%
Utilities	12.18%
Construction	11.09%
Industrial Products & Services	9.31%
Energy	8.27%
Property	6.78%
Health Care	4.99%
Consumer Products & Services	4.98%
Technology	3.55%
Telecommunications & Media	2.64%
Transportation & Logistics	2.07%
Plantation	1.84%
REIT	1.03%
Cash	2.59%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	8.00%
CIMB Group Holdings Bhd	7.87%
Public Bank Bhd - Local	6.76%
Malayan Banking Bhd	5.91%
Gamuda Bhd	5.11%
AMMB Holdings Bhd	4.23%
IJM Corporation Bhd	3.12%
Sunway Bhd	2.83%
Telekom Malaysia Bhd	2.64%
Press Metal Aluminium Holdings Bhd	2.52%
Total	48.99%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-11.36	-0.04	-6.10	14.69	35.21	33.78	215.19
Benchmark	-9.82	-1.10	-6.02	1.86	7.25	-6.14	103.17

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

FUND MANAGER'S COMMENTS

Market review

In May 2025, the Fund fell slightly 0.04%, outperformed the Benchmark by 106 basis points (bps). The outperformance was mainly due to the Fund's overweight in Energy, Industrials and Real Estate, underweight in Communication Services, Consumer Staples and Materials, as well as the selection in Financials.

Portfolio Strategy

The KLCI declined 2.1% in May 2025 but down marginally in USD terms, and underperformed MSCI ASEAN's +3.5% during the month. The market drifted lower due to jitters surrounding US debts and surging bond yields, while domestically, the lack of fresh leads and a rather uninspiring 1Q25 reporting season

Malaysia's manufacturing sector improved marginally in May with a PMI reading of 48.8pts vs 48.6pts in the previous month. S&P Global stated that production levels, alongside purchasing, were scaled back amidst subdued new orders, albeit the rate of reduction was the least in 3 months. Employment was unchanged, ending a seven-month sequence of job shedding. Inflation pressure crept up, the sharpest in 6 months, partly due to the effects of US tariffs. Business confidence stayed positive, with firms expecting higher output in the coming year, but firms continue to express concerns about the potential adverse impacts of muted global economy and US trade policies. The latest PMI data still suggests modest growth in GDP. MY GDP grew 4.4% in 1Q25. BNM will be releasing revised GDP estimates for 2025 (previously 4.5-5.5%) but highlighted potential risk to growth due to the trade restrictions.

BNM maintained OPR at 3.00% during the last MPC meeting and we expect the central bank to hold rates steady given muted inflation and modest economic growth. Inflation was steady at 1.4% similar to March. There appears to be sufficient headroom to central bank's latest 2.0-3.5% CPI forecast for 2025 with the impending subsidy rationalization plans.

The KLCI is now trading at a forward PE of 13.4x, which is approx. -1.5SD below the 10-year historical mean. Consensus now projects earnings growth for FBM30 of c.5% for 2025 and 7% for 2026. Sustained strength in domestic investments (both DDI and FDI), fiscal consolidation gathering pace (in particular, subsidy rationalisation initiatives) and the strengthening of the Ringgit are factors we see supportive of the further narrowing of risk premiums (current yield gap at ~400bps; pre-Covid average of 250bps) and consequently higher valuation multiples.

Equity markets regionally seem to have recovered almost fully from Liberation Day tariff-related sell-off in April, and Malaysia is no exception. However, given the current uncertain global environment, we believe near term volatility is expected to continue especially due to the US administration's unpredictability. Renewed concerns over a tariff-driven global slowdown and ongoing legal tussles surrounding Trump's trade policies could weigh on market confidence and pressure Malaysia's growth and earnings outlook. That said, downside risks may be partially cushioned by several supportive domestic driven initiatives and factors. We advocate a barbell strategy by pairing high-dividend, big-cap, defensive stocks with selective exposure to undervalued laggards and stocks with domestic focused demand. We believe there are still pockets of opportunities to invest especially in sectors such as Construction, Property, Utilities and selective Banks. Key risks include a further escalation of global trade tensions affecting business and investment conditions

RISKS

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

Market risk	<p>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:</p> <ul style="list-style-type: none"> • Economic and financial market conditions • Political change • Broad investor sentiment • Movements in interest rate and inflation • Currency risks <p>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.</p>
Company or security specific risk	<p>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.</p>
Credit risk	<p>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.</p>

Source : *Principal Asset Management Bhd*
 Date : 30 May 2025

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.