

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	27.11 million units	Fund Size	RM94.94 million
Unit NAV	RM3.5018	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	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

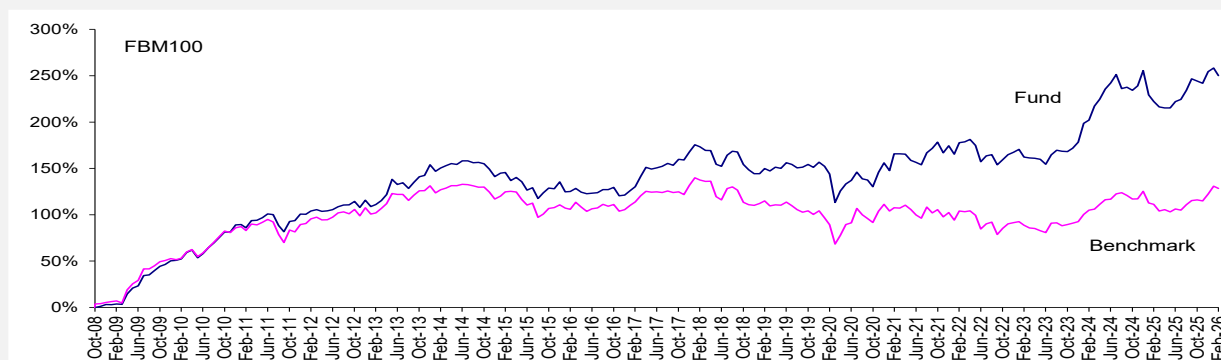
SECTOR ALLOCATION OF THE FUND

Financial Services	38.53%
Industrial Products & Services	16.87%
Construction	7.74%
Utilities	6.75%
Consumer Products & Services	5.97%
Healthcare	4.79%
Technology	4.40%
Property	3.01%
Energy	2.97%
Telecommunications & Media	2.80%
Plantation	2.78%
REIT	1.79%
Transportation & Logistics	1.36%
Cash	0.24%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Malayan Banking Bhd	8.53%
Public Bank Bhd - Local	8.26%
CIMB Group Holdings Bhd	8.00%
AMMB Holdings Bhd	5.72%
Press Metal Aluminium Holdings Bhd	5.72%
Tenaga Nasional Bhd	4.91%
IHH Healthcare Bhd	3.73%
RHB Bank Bhd	3.49%
Gamuda Bhd	3.49%
KELINGTON GROUP BHD	3.26%
Total	55.11%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-1.17	-2.25	8.66	33.50	31.82	55.59	250.18
Benchmark	2.70	-1.02	8.15	21.05	10.01	10.94	128.39

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

FUND MANAGER'S COMMENTS

Market review

In February 2026, the Fund was down 2.25%, underperformed the Benchmark by 123 basis points (bps). The underperformance was mainly due to the Fund's selection within Industrials, Financials, Consumer Staples and Utilities sectors.

Portfolio Strategy

The FBM KLCI fell 1.4% in February due to profit-taking, following the strong 3.6% gain in January. Performance was flat in USD terms, due to the Ringgit strength, but still underperformed MSCI ASEAN's 3.3% gain during the month. Sentiment was mainly dented by geopolitical conflicts in the Middle East, while the 4Q25 reporting season failed to excite.

Malaysia's manufacturing sector moderated in February with a PMI reading of 49.3pts, down from a 20-month high of 50.2pts in January, on the back of renewed weakness in output and new orders. According to S&P Global, the drop in total new sales came despite new export orders growing for a second straight month. Purchasing activity rose, but hiring dipped, so did inventory levels. Manufacturers also pointed to further pressure on capacity of suppliers, with lengthening of delivery times for a third straight month. Survey data also showed an increase in input costs, but discounts were offered to sustain demand. Business sentiment eased from January levels, with producers still optimistic of demand recovery for the year ahead. The latest PMI reading suggests GDP growth of just under 5% based on historical comparisons. To recap, Malaysia's GDP grew 6.3% in 4Q25 and 5.2% for the full year 2025, well above economist forecast. Official forecast was 4.0-4.5% for 2026. We expect BNM to stay pat on OPR for the rest of the year at 2.75%. Inflation steady at 1.6% in January, similar to December.

The KLCI is now trading at a forward PE of c.15x, which is at the 10-year historical mean straddling Covid-19, but still over -1.5SD 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.1% for 2025 and 9% for 2026. Sustained strength in domestic investments, 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 and consequently higher valuation multiples.

We expect a better equity market in 2026 with improving sentiment amid Ringgit strength. Our focus remains on high dividend yield large cap names in the Financials space and quality stocks with large domestic earnings exposure i.e. Construction, Utilities and Consumer which will benefit from cash handouts, VMY26 and the strengthening of MYR. We are also positioned in selective Technology names with AI value chain exposure. Concerns over a tariff-induced global slowdown may have eased but we are constantly vigilant to changing Trump's trade policies which could weigh on market confidence and pressure Malaysia's growth and earnings outlook. 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:

<p>Market risk</p>	<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>
<p>Company or security specific risk</p>	<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>
<p>Credit risk</p>	<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

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.