

Sun Life Malaysia Equity Income Fund

June 2026



FUND OBJECTIVE

To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

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 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	9.53 million units	Fund Size	RM19.67 million
Unit NAV	RM2.0650	Target Fund	Principal Titans Income Plus Fund
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	50% FBM100 Index + 50% MSCI AC Asia ex-Japan Index	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
Target Market	Suitable for investors: ▪ Have a medium to long-term investment horizon ▪ Target capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund.

ASSET ALLOCATION OF THE TARGET FUND

Equities and equity related securities	Fixed income securities	Liquid assets
Minimum 70% and up to 98% of Net Asset Value (NAV)	Up to 28% of NAV	Minimum 2% of NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	38.61%
Financials	16.47%
Industrials	13.45%
Mutual Fund	6.76%
Others	5.57%
Consumer Discretionary	4.03%
Utilities	2.47%
Real Estate	2.37%
Consumer Staples	2.23%
Cash	8.04%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Samsung Electronics Co Ltd (South Korea)	9.02%
Taiwan Semiconductor Manufacturing (Taiwan)	7.71%
SK Hynix Inc (South Korea)	7.04%
IShares MSCI (United States)	4.45%
Public Bank Bhd (Malaysia)	3.05%
Malayan Banking Bhd (Malaysia)	2.86%
ASPEED Technology Inc (Taiwan)	2.51%
Tenaga Nasional Bhd (Malaysia)	2.47%
Chroma Ate Inc. (Taiwan)	2.30%
Tencent Hldg Ltd (Malaysia)	2.05%
Total	43.46%

PERFORMANCE RECORD

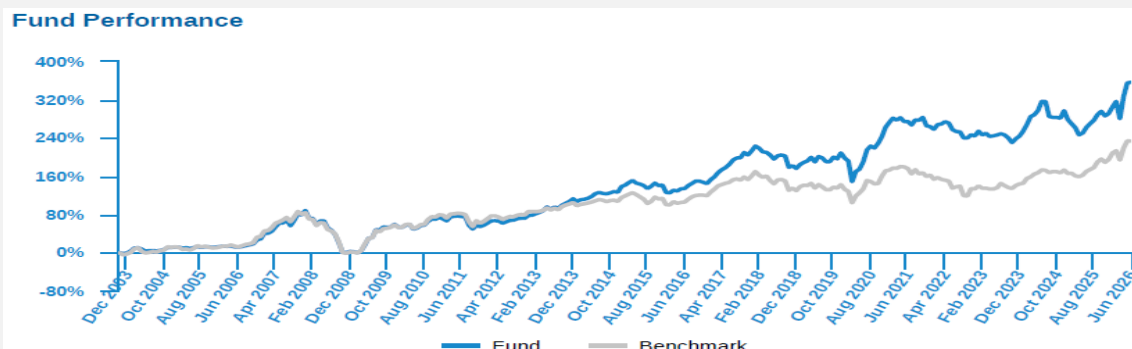
This fund feeds into Principal Titans Income Plus Fund ("target fund") with the objective to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

Table below shows the investment returns of Sun Life Malaysia Equity Income Fund versus its benchmark:

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	15.72	0.26	24.41	31.59	23.65	98.12	106.50
Benchmark	13.02	-0.09	23.49	41.43	20.89	61.26	63.00

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

Graph below shows the historical performance of the underlying collective investment schemes (CIS) for calendar year returns:



Source: Lipper

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FUND MANAGER'S COMMENTS

During the month, the Fund gained 0.26% in MYR terms, outperforming the benchmark by 0.35%.

The MSCI AC Asia Pacific ex Japan Index retreated by 1.7% in June in USD terms, led by China, Hong Kong SAR and Indonesia. The month was characterised by volatility, as market reacted to 1) peace deal in Iran, reopening of the Strait of Hormuz and subsequent decline in oil price, 2) stronger USD and hawkish bias in US Fed policy and 3) concerns over the sustainability of AI spending. US 10- year bond yields ended the month at 4.47%, a rise of 3 bps MoM. The USD appreciated by 2.3% MoM while Brent price retreated to slightly above US\$72/bbl from US\$92/bbl post the peace deal.

Asian equities are a beneficiary of more pro-risk markets due to it being under-owned, leading hardware tech exposure, strong earnings growth, and reasonable valuations. We will continue to hold a diversified portfolio and focus on companies with quality growth, high free cashflow, and/or improving capital management. We prefer technology and industrials with exposure to defense, and power equipment.

The FBM100 Index fell 1.1% in June. Despite the de-escalation of the war in the Middle East, overall sentiment, was dented by renewed hawkishness by the Fed through the new Fed Chair Kevin Warsh's maiden public address, with the market now expecting up to 2 hikes by end-2026. Consequently, the Dollar strengthened notably, which resulted in diminishing appeal of EM. During the month, the key detractors were materials/energy, namely PCHEM and PMAH, followed by Healthcare, Telcos and to a lesser extent Utilities. Gainers were led by Plantations on El-Nino sentiment, followed by a rebound in Construction, Consumer and Financials. Tech sustained its outperformance, buoyed by the global AI theme.

For Malaysia, we maintain a constructive but cautious barbell strategy anchored in large-cap domestic leaders with resilient earnings, complemented by selective cyclical and beneficiaries of structural themes such as the NETR. We continue to favour Financials, Utilities, select Consumer names and quality Technology names. Key risks include the potential setback of Malaysia's macroeconomic recovery and corporate earnings driven by elevated inflation, slower global growth, and rising geopolitical tensions.

RISKS

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

Stock specific risk	Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the target fund's NAV.
Credit and default risk	The target fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the target fund invests in debt securities, money market instruments and/or place deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers or counterparties may impact the value as well as liquidity of the investments. In the case of rated debt securities, this may lead to a credit downgrade. Default risk relates to the risk that a securities issuer or counterparty either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the target fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.
Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments and money market instruments. When interest rates rise, debt instruments and money market instruments prices generally decline and this may lower the market value of the target fund's investment in debt instruments and money market instruments. In managing the debt instruments, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk. As for money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike debt instrument, any change to interest rate will only have a minor impact to the prices of these instruments.
Country risk	Investments of the target fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the target fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the target fund in those affected countries. This in turn may cause the NAV of the target fund or price of units to fall.

RISKS

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

Currency risk	As the investments of the target fund may be denominated in currencies other than the base currency of the target fund, any fluctuation in the exchange rate between the base currency of the target fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the target fund, this will have an adverse effect on the NAV of the target fund in the base currency of the target fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
Risk of investing in emerging markets	In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the target fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification across different countries and sectors, in addition to our continuous bottom-up and top-down research and analysis.
Risks associated with investment in warrants	There are inherent risks associated with investment in warrants. The value of warrants is influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of warrants accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

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.