Sun Life Malaysia
Asia Pacific Dynamic Income Fund
June 2026

Sun Life

FUND OBJECTIVE

The fund aims to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long-term.

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	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	191.09 million units	Fund Size	RM439.39 million
Unit NAV	RM2.2994	Target Fund	Principal Asia Pacific Dynamic Income Fund - Class MYR
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	8% p.a	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 ▪ Want a well-diversified portfolio of Asia Pacific ex Japan region ▪ Seek regular income ▪ Can accept that returns may fluctuate over the investment period	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Asia Pacific Dynamic Income Fund.

ASSET ALLOCATION OF THE TARGET FUND

Equities	Collective Investment Schemes (CIS)	Liquid assets
Minimum 60% and up to 98% of Net Asset Value (NAV)	Maximum 20% of NAV	Minimum 2% of NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	49.32%
Industrials	12.54%
Financials	11.19%
Mutual Fund	6.19%
Real Estate	4.93%
Consumer Discretionary	4.25%
Materials	3.04%
Communication Services	2.71%
Others	2.33%
Cash	3.50%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Taiwan Semiconductor Manufacturing (Taiwan)	10.25%
SK Hynix Inc (South Korea)	9.63%
Samsung Electronics Co Ltd (South Korea)	9.36%
Kingboard Laminates Holding Ltd (Hong Kong)	3.50%
Delta Electronics Inc (Taiwan)	2.73%
Tencent Holdings Ltd (Hong Kong)	2.71%
Elite Material Co Ltd (Taiwan)	2.38%
NEXT FUNDS TOPIX Banks ETF (Japan)	2.29%
ASE Technology Holding Co Ltd (Taiwan)	2.21%
VanEck Gold Miners ETF (United States)	2.13%
Total	47.19%

PERFORMANCE RECORD

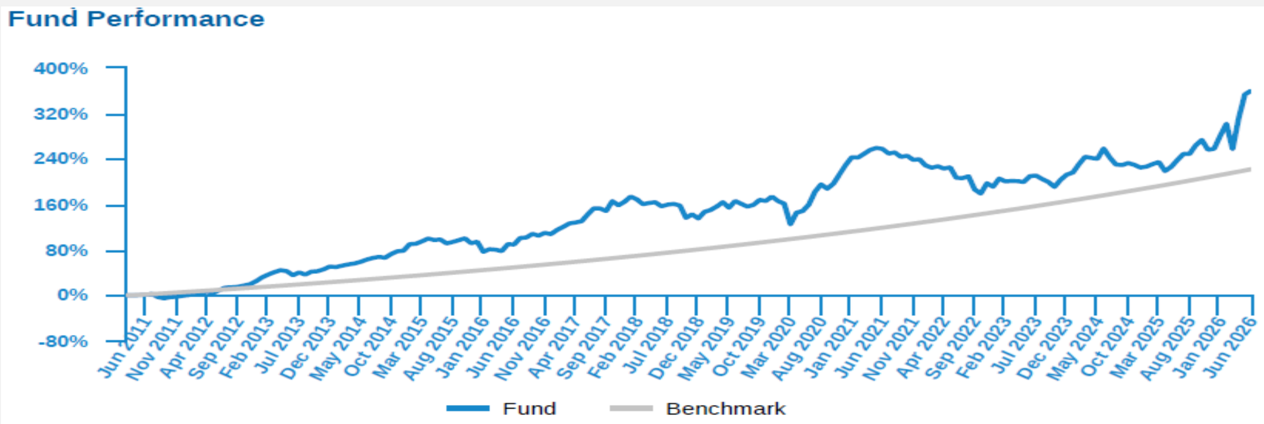
This fund feeds into Principal Asia Pacific Dynamic Income Fund - Class MYR ("target fund") with the objective to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long-term.

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

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	26.65	1.48	35.04	45.59	27.92	132.97	129.94
Benchmark	3.89	0.63	8.00	25.97	46.93	115.77	140.62

** 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

The Fund's value rose 1.48% in MYR terms in June, and outperforming the benchmark by 85bps. YTD, the Fund's value rose 26.65%, outperforming the benchmark by 22.76%.

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 characterized 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.

Headline inflation rose 0.5% in the US in May, as expected, driven primarily by energy. However, core inflation unexpectedly grew by a smaller 0.2% month on month, while the annual rate is still close to 3%, higher than the Fed target of 2%. On the labour front, there was no sign of a wage price spiral. As such, Fed is likely to remain cautious, and the market has priced in one rate hike in 2026 given the risks of persistent inflation pressures due to supply chain disruption. China continues to experience a two-speed economy, with robust exports, surging 19.4% in May but weak domestic demand. High tech exports rose for 7 consecutive months while FAI fell 4.1%YoY for Jan-May period and retail sales softened to 0.6%YoY. The step up in cross-border-capital controls also weighs on market sentiment. Beijing's "Six Networks" Infrastructure strategy may lead to more fixed asset investments to help support the economy in the coming years.

Earnings growth forecast for Asia Pacific ex Japan has been upgraded and is about 40% on 2Y CAGR, mainly driven by information Technology sector in Taiwan ROC and Korea. Asian equities are under-owned, have leading hardware tech exposure, strong earnings growth, and reasonable valuations at 11x FY27 price to earnings ratio. The equity bull market is taking a breather, but the uptrend remains intact. The key risks in the near term are renewed geopolitical conflicts, sticky inflation and any reduction in AI capex. The Fund has recently raised India exposure. India has seen a cyclical downturn for the past 2 years. There are some green shoots that suggest a cyclical upturn could be close, amid reduced expectations for RBI tightening. 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.

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.
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. 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.
Liquidity risk	Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the target fund holds assets that are illiquid, or are difficult to dispose of, the value of the target fund will be negatively affected when it has to sell such assets at unfavourable prices.
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 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.
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. Principal (S) aims 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.

RISKS (CONTINUED)

Interest rate risk	Interest rate risk refers to the impact of interest rate changes on the valuation of debt securities. When interest rates rise, debt securities prices generally decline and this may lower the market value of the target fund's investment in debt securities. In managing the debt portfolio, Principal (S) takes into account the coupon rate and time to maturity of the debt securities with an aim to mitigate the interest rate risk.
Risk associated with investing in CIS	Since the target fund may invest entirely into CIS, there is a risk of concentration into CIS, in which the CIS's management company has absolute discretion over the CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the CIS and/or the management company, the NAV of the target fund, which invests into those CIS would be affected negatively. Should the situation arise, Principal (S) will seek for another CIS that is consistent with the objective of the target fund.
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 be subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the target fund's growth. Principal (S) will attempt to mitigate these risks through active asset allocation management and diversification, in addition to their continuous bottom-up and top-down research and analysis.

Source : Principal Asset Management Bhd

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