

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	28.38 million units (29 August 2025)	Fund Size	RM94.86 million (29 August 2025)
Unit NAV	RM3.3430 (29 August 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: ▪ 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

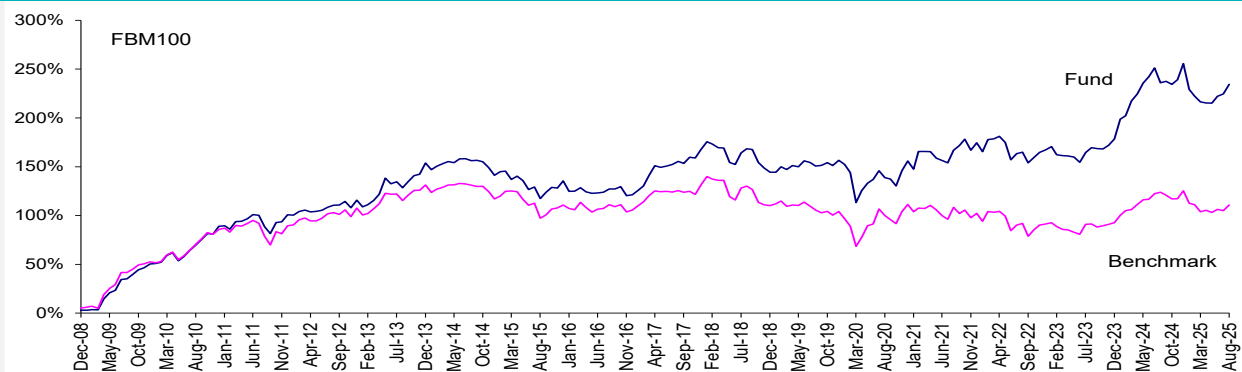
SECTOR ALLOCATION OF THE FUND

Financial Services	28.52%
Utilities	12.84%
Construction	12.46%
Industrial Products & Services	11.75%
Energy	7.91%
Property	6.84%
Technology	3.77%
Consumer Products & Services	3.52%
Telecommunications & Media	2.64%
REIT	2.04%
Transportation & Logistics	1.96%
Plantation	1.93%
Healthcare	1.80%
Cash	2.02%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

CIMB Group Holdings Bhd	8.78%
Tenaga Nasional Bhd	6.99%
Public Bank Bhd - Local	6.47%
Malayan Banking Bhd	5.59%
Gamuda Bhd	5.45%
AMMB Holdings Bhd	4.06%
Press Metal Aluminium Holdings Bhd	3.47%
YTL Power International Bhd	3.27%
IJM Corporation Bhd	3.18%
Dialog Group Bhd	2.87%
Total	50.13%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-5.99	3.02	-0.52	26.21	40.01	53.74	234.30
Benchmark	-6.45	2.85	-5.85	9.81	5.40	6.90	110.77

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

FUND MANAGER'S COMMENTS

Market review

In August 2025, the Fund rose 3.02%, outperformed the Benchmark by 17 basis points (bps). The outperformance was mainly due to the Fund's overweight in Industrials, underweight in Communication Services and Consumer Discretionary, as well as the selection in Consumer Staples and Financials.

Portfolio Strategy

The KLCI rallied 4.1% in August 2025. Investor's sentiment improved dramatically following the passing of the US tariff deadline - Malaysia's tariffs was set at 19% vs 24-25% previously. Bets on Fed rate cuts elevated following the recent weak economic data out of the US, although the inflation outlook still worrisome due to potential tariff impact. Quarterly results wrap 2Q25/1H25 - for the KLCI, the results came in at 48-49% of full year forecast. Key beats for the quarter against consensus numbers were Transport and Plantations.

Malaysia's manufacturing sector moved even closer to stabilization in August with an improved reading of 49.9pts vs 49.7pts in the previous month. According to S&P Global, there was renewed growth in both production, first time in 15 months, and new orders inflows, the latter rising at the strongest rate in three years. Export sales expanded for the second successive month, with improvements seen in the Asia-Pacific region. However, employment levels continue to slip on the back of sufficient capacity and as backlogs deplete. Cost inflation rose driven by higher raw materials and some impact of tariffs. Manufacturers remain upbeat supported by hopes of demand recovery, but business confidence dipped to the lowest level since June 2021 amid concerns about the global economy. Malaysia's GDP grew 4.4% in 2Q25 similar to 1Q25. BNM now expects Malaysia's GDP to grow 4.0-4.8% in 2025 vs 4.5-5.5% previously, largely reflecting the impact of US tariffs on global trade. On OPR, we do not expect any more revisions following the 25bps cut by BNM in July. Inflation marginally higher at 1.2% in July vs 1.1% in June.

The KLCI is now trading at a forward PE of c.14x, which is around -1SD below the 10-year historical mean. Consensus now projects earnings growth for FBM30 of c.3% 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.

We continue to advocate a barbell strategy, given the current uncertain global environment. Concerns over a tariff-induced global slowdown and constantly changing 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 the recent supportive domestic driven initiatives by the government. The barbell strategy is pairing high-dividend, big-cap, defensive stocks with exposure to growth companies, either with domestic focused demand or exposed to structural growth of technology. We believe there are still pockets of opportunities to invest especially in sectors such as Construction, 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	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 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.
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	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.

Source : Principal Asset Management Bhd
Date : 29 August 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.