

Sun Life Malaysia

Asia Pacific Dynamic Income Fund

March 2026



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 | 195.50 million units | Fund Size | RM354.82 million |
| Unit NAV | RM1.8149 | 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: <ul style="list-style-type: none"> ▪ 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 |

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

Telephone (603) 2612 3600 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com sunlifemalaysia.com

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SECTOR ALLOCATION OF THE TARGET FUND

| | |
|------------------------|---------|
| Information Technology | 32.44% |
| Industrials | 15.15% |
| Financials | 14.98% |
| Consumer Discretionary | 9.86% |
| Mutual Fund | 6.64% |
| Others | 5.02% |
| Communication Services | 4.90% |
| Materials | 3.80% |
| Energy | 2.82% |
| Cash | 4.39% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|---|--------|
| Taiwan Semiconductor Manufacturing (Taiwan) | 9.99% |
| Samsung Electronics Co Ltd (South Korea) | 7.66% |
| Tencent Holdings Ltd (Hong Kong) | 4.90% |
| Alibaba Group Holding Ltd (Hong Kong) | 3.70% |
| VanEck Gold Miners ETF (United States) | 3.03% |
| AIA Group Ltd (Hong Kong) | 2.86% |
| SK Hynix Inc (South Korea) | 2.82% |
| Delta Electronics Inc (Taiwan) | 2.24% |
| Keppel Ltd (Singapore) | 2.18% |
| Contemporary Amperex Technology (China) | 2.09% |
| Total | 41.47% |

PERFORMANCE RECORD

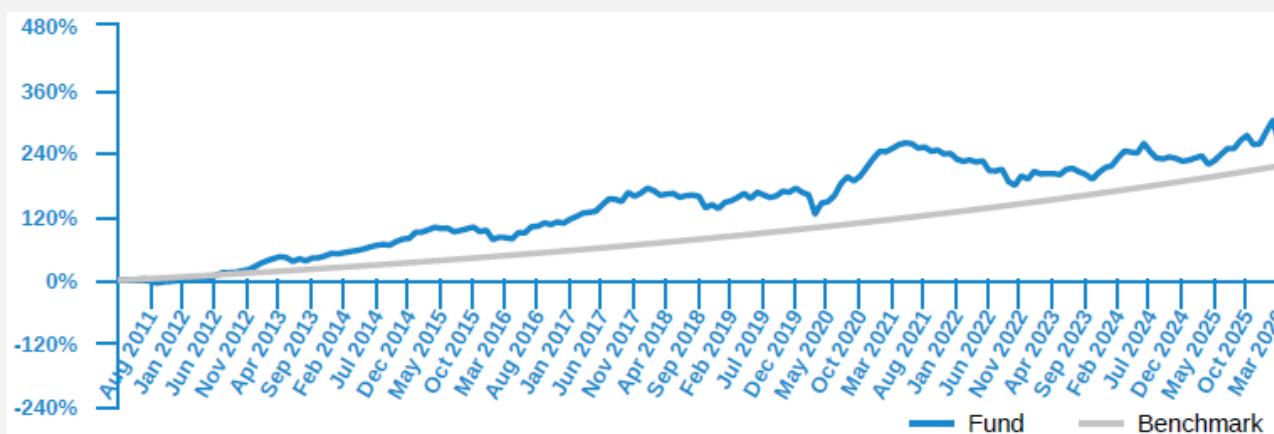
This fund feeds into Principal Asia Pacific Dynamic Income Fund - Class MYR ("target fund") with the objective to provide regular income by investing primarily in the Asia Pacific ex Japan region and at the same time aims to achieve capital appreciation over the medium to long-term.

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* | -0.04 | -10.19 | 6.66 | 17.92 | 3.33 | 92.42 | 81.49 |
| Benchmark | 1.92 | 0.66 | 8.00 | 25.97 | 46.93 | 115.79 | 136.06 |

* 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 fell 10.19% in MYR terms in March, underperforming the benchmark by 1085bps. YTD, the Fund fell 0.04%, underperforming the benchmark by 196bps.

The MSCI AC Asia Pacific ex Japan Index had the worst month since COVID-19 in March 2026, plunging by 13.5% in USD terms. Malaysia and Singapore were the most resilient markets while a huge selloff was seen in Korea and Indonesia.

The USD appreciated by 2.4% MoM and the US 10-year bond yields rose 38bps to end the month at 4.32%. Gold fell 11.6% while Brent surged more than 63% in March on the back of the war on Iran and closure of the Strait of Hormuz.

Historically, oil shock precedes a recession in Asia. Asia, being a net importer of energy, is likely to see rising inflation, and may have limited room to cut rates to support slowing economy. As the economic conditions look to deteriorate with the rising oil price, countries such as India, are also seeing fund outflows and rising 10Y yields.

Instead of rate cuts, the market is now expecting rate hikes from the US Fed, Bank of England, and more rate hikes in Australia.

China's manufacturing and non-manufacturing PMI rose above 50 in March and February CPI printed 1.3% and PPI improved from -1.4%YoY to -0.9%YoY. China's NPC meeting in March lowered GDP target to 4.5%-5% and set the fiscal budget deficit at 4% of GDP. Monetary policy is expected to remain accommodative.

Earnings growth forecast for 2026 stands at 35% for Asia. However, with the rising oil price, there is a risk to earnings as input costs rise and there is a likelihood of slower economic growth.

Strategy: Given the geopolitical tensions in the Middle East, volatility should ensue in the Asian markets as all eyes are on when the ceasefire will come. In the midst of the uncertainty, we will continue to hold a diversified portfolio and focus on companies with quality growth and/or high free cashflow and/or improving capital management. We have reduced exposure to companies who are negatively impacted by the supply chain disruptions and rising oil price. We prefer technology, materials and industrials with exposure to defence, nuclear, power equipment.

The key risks in the near term are an extended conflict in Iran, significant damage to infrastructure, escalation of the conflict beyond countries in the Middle East. Other risks would be (1) reduction in AI Capex, and (2) sticky inflation.

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

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.