

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	28.32 million units (31 July 2025)	Fund Size	RM91.88 million (31 July 2025)
Unit NAV	RM3.2449 (31 July 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: <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

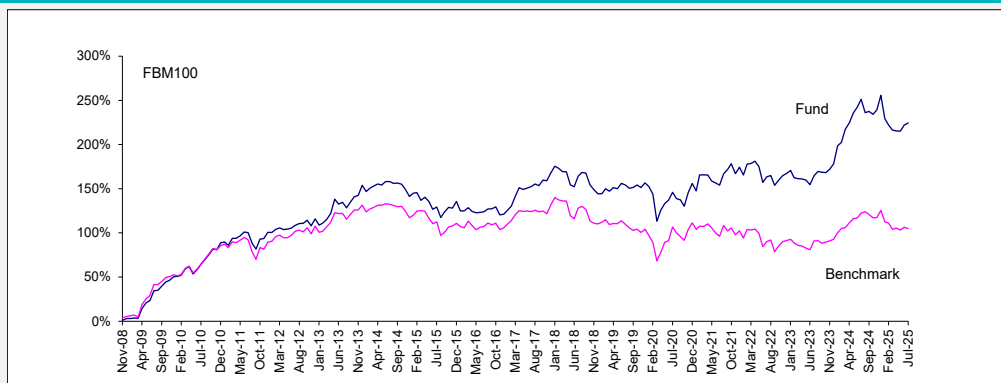
ASSET ALLOCATION OF THE FUND

Equities	Cash
Minimum 80% of NAV and up to 98%	The remaining balance of funds NAV

SECTOR ALLOCATION OF THE FUND	
Financial Services	27.31%
Utilities	13.30%
Construction	12.37%
Industrial Products & Services	10.40%
Energy	8.55%
Property	7.59%
Technology	3.81%
Consumer Products & Services	3.63%
Health Care	3.07%
Telecommunications & Media	2.62%
Transportation & Logistics	2.39%
Plantation	1.89%
REIT	0.95%
Cash	2.12%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)	
CIMB Group Holdings Bhd	7.99%
Tenaga Nasional Bhd	7.11%
Public Bank Bhd - Local	6.59%
Malayan Banking Bhd	5.47%
Gamuda Bhd	5.19%
AMMB Holdings Bhd	3.93%
YTL Power International Bhd	3.43%
IJM Corporation Bhd	3.27%
Press Metal Aluminium Holdings Bhd	2.86%
Sunway Bhd	2.72%
Total	48.56%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-8.75	0.74	-7.62	23.18	31.97	41.57	224.49
Benchmark	-9.04	-0.65	-7.87	7.76	-0.87	-3.57	104.93

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

FUND MANAGER'S COMMENTS

Market review

In July 2025, the Fund rose 0.74%, outperformed the Benchmark by 139 basis points (bps). The outperformance was mainly due to the Fund's overweight in Industrials and Energy as well as the selection in Utilities, Consumer Staples and Financials.

Portfolio Strategy

The KLCI fell 1.3% in July 2025. Investors maintained a cautious stance ahead of the US tariff deadline while bets on Fed rate cut waned with supposedly strong employment and uptick in inflation readings in the US, sending the DXY to a 2-month high and curbing interest in EM. The US eventually set Malaysia's tariff at 19% vs 24-25% previously, broadly in-line with the rest of ASEAN, while bets on Fed rate cuts surged following the recent revised weak jobs data. The Malaysian government unveiled the 13th Malaysia plan, which encapsulates most of the ambitions set out under the Madani Economic Framework. The plan includes aspiring to sustain economic growth at a 4.5-5.5% for the period up to 2030, with RM430bn allocated for development, to move the country into high-income status and commitment to fiscal reforms with a deficit target of below 3%.

Malaysia's manufacturing sector moved closer to stabilization in July with an improved reading of 49.7pts vs 49.3pts in the previous month. According to S&P Global, new orders declined at the weakest rate in 5 months, with the moderation in output the softest since February. Overseas sales expanded for the first time in eight months, spurring higher purchasing activities, the highest in 3 years. Employment levels slipped slightly as backlogs deplete. Cost inflation rose driven by higher raw materials and a weaker Ringgit. Business confidence notched a five-month high, supported by a hopes of demand recovery, but firms continue to express concerns about the potential adverse impacts of muted global economy and US trade policies. Malaysia's GDP growth accelerated to 4.5% in 2Q25 vs 4.4% in 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 eased further to 1.1% in June vs 1.2% in May.

The KLCI is now trading at a forward PE of 13.4x, which is more than -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, where near term volatility is expected to continue especially due to the US administration's unpredictability. Concerns over a tariff-driven 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 selective exposure to growth companies with domestic focused demand. We believe there are still pockets of opportunities to invest especially in sectors such as Construction, Property, 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	<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>
Company or security specific risk	<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>
Credit risk	<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
Date : 31 July 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.