

Sun Life Malaysia Islamic Asia Pacific Equity Fund

June 2026



FUND OBJECTIVE

Aims to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly 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 of the target fund.

FUND DETAILS

Launch Date	13 February 2015	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	194.61 million units	Fund Size	RM491.44 million
Unit NAV	RM2.5253	Target Fund	Principal Islamic Asia Pacific Dynamic Equity Fund – Class MYR
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	MSCI AC Asia ex Japan Islamic 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 long-term investment horizon ▪ Want a portfolio of investments that adhere to Shariah principles ▪ Want a well-diversified portfolio of Asia Pacific ex Japan regional equities ▪ Seek capital appreciation over long-term	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Asia Pacific Equity Fund.

ASSET ALLOCATION OF THE TARGET FUND

Shariah-compliant equities	Sukuk and Islamic deposit	Islamic liquid assets
Minimum 70% and up to 98% of Net Asset Value (NAV)	Up to 30% of NAV	Minimum 2% of NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	72.56%
Industrials	5.56%
Consumer Discretionary	5.43%
Materials	4.60%
Health Care	3.89%
Energy	2.32%
Mutual Fund	0.09%
Cash	5.55%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SK Hynix Inc (South Korea)	11.49%
Samsung Electronics Co Ltd (South Korea)	9.74%
SK Square Co Ltd (South Korea)	7.76%
Samsung Electronics (South Korea)	5.97%
MediaTek Inc (Taiwan)	5.19%
Delta Electronics Inc. (Taiwan)	4.72%
Unimicron Technology Corporation (Taiwan)	3.97%
Lasertec Corporation (Japan)	3.22%
WuXi AppTec Co Ltd (China)	3.13%
Chroma Ate Inc (Taiwan)	3.07%
Total	58.26%

PERFORMANCE RECORD

This fund feeds into Principal Islamic Asia Pacific Dynamic Equity Fund – Class MYR ("target fund") with the objective to achieve long-term capital appreciation and income while complying with Shariah investment criteria, through investments in the emerging and developed markets of Asia Pacific ex Japan region.

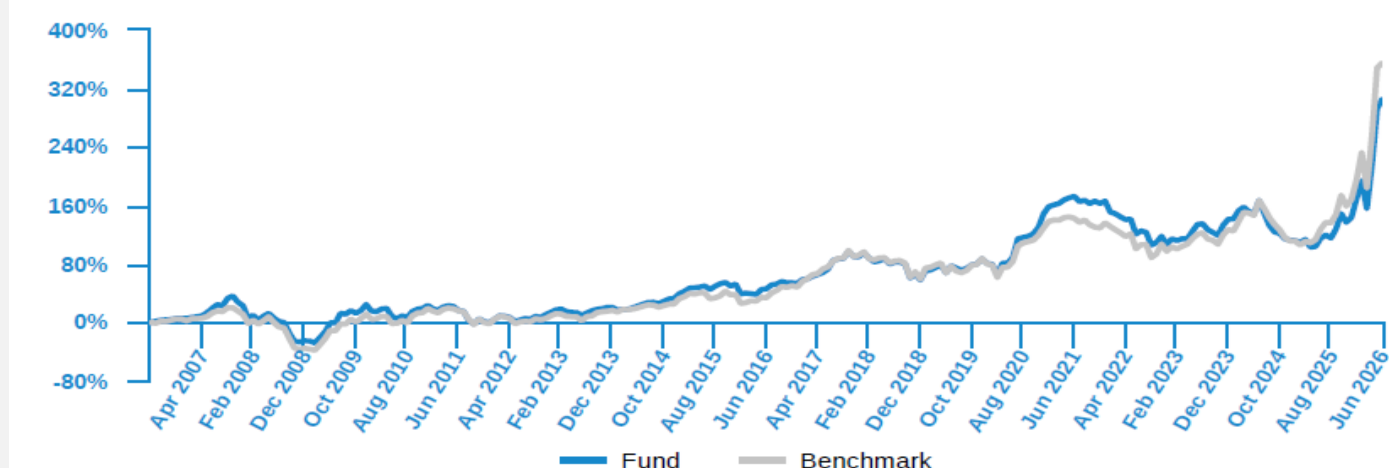
Table below shows the investment returns of Sun Life Malaysia Islamic Asia Pacific Equity Fund versus its benchmark:

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	61.87	3.25	81.42	67.77	46.22	163.63	152.53
Benchmark	69.35	1.52	99.84	106.15	87.72	240.22	243.34

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

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

Fund Performance



Source: Morninastar

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FUND MANAGER'S COMMENTS

The Fund rose 3.25% in the month of June, outperforming the MSCI Islamic Asia ex-Japan Index by 173bps. YTD the fund has returned 61.87%, underperforming the index by 748bps.

Review: The MSCI AC Asia ex Japan Islamic Index declined 1.3% in June, reversing part of May's strong rally. The index traded with significant intra-month volatility. Performance was mixed across the region, with North Asia again in focus but this time driven by sharp swings in AI and semiconductor sentiment. The USD strengthened by 2.0% over the month. The US 10-year bond yield was broadly stable, closing at 4.47%, though it reached an intra-month high of 4.57% in early June. Oil prices fell sharply, with Brent declining approximately 23.2% from \$94.98/bbl to \$72.92/bbl by month-end, driven by the US-Iran interim peace deal and the progressive reopening of the Strait of Hormuz.

Fundamentals (Neutral):

Equity markets were highly volatile, driven by sharp swings in AI and semiconductor sentiment. Sentiment recovered into month-end after Samsung and SK Hynix announced a combined \$880 billion investment plan in new chip fabs and data centres, reinforcing the long-term AI capex narrative. SK Hynix also announced a \$29 billion US ADR listing plan. June began with escalating US-Iran hostilities before a dramatic pivot toward de-escalation. The US and Iran announced an interim peace deal on June 15, with a memorandum of understanding formally signed and taking effect around June 18, reopening the Strait of Hormuz to shipping. However, the situation remained fragile. Lower oil prices will benefit most Asian countries.

Technical (Neutral): Korea saw substantial net foreign outflows of approximately \$30.5bn over the month, as foreign investors sold heavily during both the early-June AI correction and the late-June chip-driven selloff. India continued to see foreign equity outflows, with global funds selling a net approximately INR 530bn (~\$5.4bn) of Indian shares through late June, a continuation of the outflow trend seen in prior months.

Valuation (Positive): Valuations remain undemanding for MSCI Asia Islamic ex-Japan, with 12-month forward earnings at 11.5x as of end-June, slightly lower than the 11.7x reported at end-May, reflecting the month's price decline.

Strategy:

We adjusted some of tech holdings in the month of June. We sold some of the memory names to comply with single stock limits of the fund. We added back into other tech names, leaving out overall tech exposure largely the same. We did not make significant changes in our country allocation, leaving Taiwan as our biggest overweight and India our largest underweight. This reflects our bullishness in tech.

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.
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.
Risks associated with investment in warrants and/or options	There are inherent risks associated with investment in warrants and/or options. The value of warrants and/or options are 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 Shariah-compliant warrants accelerates as it approaches its expiry date. Like securities, Principal will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.
Credit/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 Sukuk and/or place Islamic deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of profit 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 Sukuk, 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 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 Sukuk and Islamic money market instruments. When interest rates rise, Sukuk and Islamic money market instruments' prices generally decline and this may lower the market and Islamic money market instruments. In managing the Sukuk, Principal takes into account the coupon rate and time to maturity of the Sukuk with an aim to mitigate the interest rate risk. As for Islamic money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike Sukuk, any change to interest rate will only have a minor impact to the prices of these instruments. Note: Please note that although Sukuk is a non-interest bearing instrument, its price movement is correlated to the movement in the interest rates. As such, investment in Sukuk will have an exposure to the movement of the interest rates. Even though the target fund does not invest in interest bearing instruments, the interest rate referred herein is to the general interest rate of the country, which may affect the value of the investment of the target fund.
Risk associated with investing in CIS	Since the target fund may invest into Islamic CIS, there is a risk of concentration into Islamic CIS, in which the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company, the NAV of the target fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, Principal will seek for another Islamic CIS that is consistent with the objective of the target fund.

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.