

FUND OBJECTIVE

To achieve medium to long term capital appreciation through investments primarily in Malaysian bonds.

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	23.02 million units	Fund Size	RM39.86 million
Unit NAV	RM1.7317	Performance Benchmark	12 month FD
Fund Manager	Principal Asset Management Bhd	Frequency and Basis of Unit Valuation	The unit price determined daily based on the value of our 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 & transaction charge
Target Market	Suitable for investors: <ul style="list-style-type: none"> ▪ Have a medium to long term investment horizon ▪ Want a diversified portfolio of fixed interest securities ▪ Are looking for a less volatile investment but can accept lower returns 	Fund Management Charges	Management Fee: 1.0% p.a

ASSET ALLOCATION OF THE FUND

Bonds/Debentures	Cash
Minimum 80% of Net Asset Value (NAV)	Balance of fund

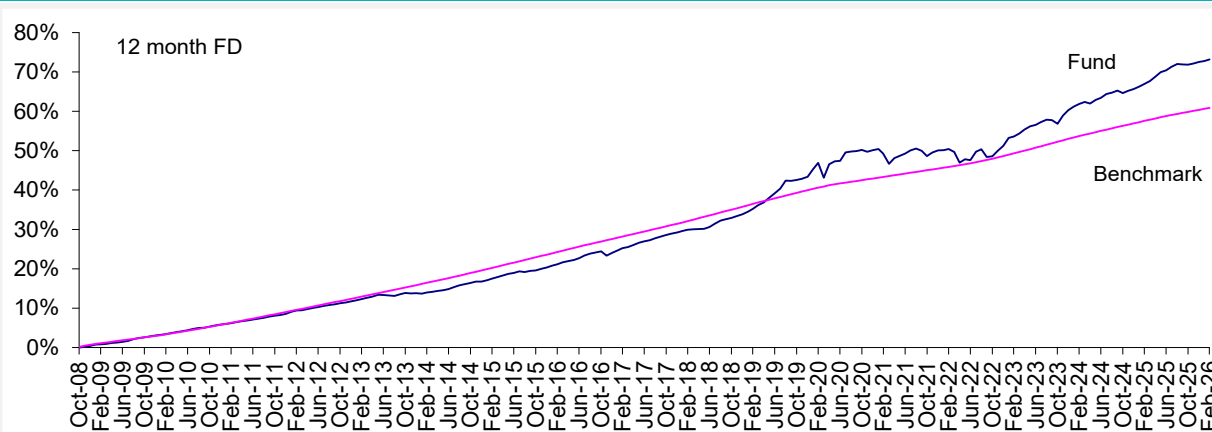
SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
93.64%	1.24%	1.00%	4.12%	100.00%

TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
Perbadanan Kemajuan Pertanian Negeri Pahang	4.21%	30/10/2026	3.82	United Overseas Bank Malaysia	3.85%	03/07/2037	2.53
DanaInfra Nasional Bhd	4.00%	26/01/2046	3.77	OSK Rated Bond Sdn Bhd	4.12%	02/03/2035	2.19
7-Eleven Malaysia Holdings Bhd	4.56%	13/02/2031	3.22	Dialog Group Bhd	4.53%	28/01/2032	1.84
Sarawak Energy Bhd	4.70%	24/11/2028	2.62	Point Zone M Sdn Bhd	4.69%	13/03/2030	1.78
Perbadanan Kemajuan Pertanian Negeri Pahang	4.36%	29/10/2027	2.55	Quantum Solar Park Green SRI Sukuk	5.56%	06/10/2027	1.77

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	0.35	0.22	3.72	12.75	16.00	42.94	73.17
Benchmark	0.33	0.16	2.12	7.77	12.25	29.49	60.91

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

FUND MANAGER'S COMMENTS

Market Review

The MGS yield curve closed mixed with 3- and 15-year shifted higher by 1bp while the belly yields declined by 4bps and the long end anchored unchanged in February 2026.

The rise in sovereign yields has led to a tightening in credit spreads. MGS yields increased more prominently at the front to mid-tenor segment, largely tracking the rise in UST yields amid renewed concerns over global inflation. Despite this, credit spreads remain below their long-term averages. Spreads could potentially widen once sovereign yields stabilize at higher levels, as markets adjust to the new rate environment. As such, we remain watchful for potential curve re-pricing.

Outlook & Strategy

BNM kept OPR unchanged at 2.75% in March, with the statement remaining broadly neutral in tone while acknowledging heightened external uncertainties and risks to the global outlook.

Recent geopolitical tensions in the Middle East have triggered a risk-off sentiment, as investors price in potential energy supply disruptions, higher energy-driven inflation, and slower global growth. Rising global oil prices could lead to higher government spending on fuel subsidies. However, the government has set the RON95 price at RM1.99 per litre for the first 300 litres, a move expected to generate annual savings of between RM2.5 billion and RM4 billion. Meanwhile, the Prime Minister stated that the government will strive to maintain the RON95 petrol price under the BUDI95 programme despite global market uncertainties following the escalation of the Middle East conflict.

Looking ahead, the upcoming release of Bank Negara Malaysia's Annual Report 2026 on 31 March 2026 will be a key event to watch, as it may provide updated macroeconomic forecasts and further clarity on the country's outlook amid rising external risks.

We maintain a preference for high-quality, domestically oriented credits and will rebalance into new issuances offering better yields amid strong credit supply. In the government bond space, we expect the government securities to trade in range given the ongoing geopolitical tensions and inflation concerns. We maintain tactical positions and remain watchful of market movements. We aim to take opportunity to lighten our positions in this segment and sell on price strength.

Overall, we target a neutral to slightly underweight bias on duration in light of current external uncertainties backdrop to preserve flexibility and manage risk amid heightened volatility.

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>Securities 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 securities 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>
Interest rate risk	<p>Interest rates are inclined to fluctuate over time. A rise in the general level of interest rates will result in a decline of the value of all bonds and fixed interest securities. Hence a bond fund's NAV will most probably decrease with the rise of interest rates. Maintaining an appropriate diverse mix of assets with different yield and maturity profiles will lessen the impact of interest rate risk.</p>
Liquidity risk	<p>Liquidity risk is defined as the ease with which a security can be sold at or near its fair value depending on the volumes traded on the market. Liquidity risk is mitigated through the selection of stocks with an active trading volume in the open market. This ensures that exit strategies can be executed with little/minimal impacts to price fluctuations.</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>Credit risk refers to an issuer's ability to make timely payments of profit and principal. In the event that the issuer of the instrument is faced with financial difficulties, leading to a decrease in their credit worthiness (i.e Bond prices will change/drop in the event of rating downgrade) and default in the payment of profit and principal, the value of the fund may be adversely affected. 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*

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.