

### 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	27.65 million units (31 December 2024)	Fund Size	RM98.31 million (31 December 2024)
Unit NAV	RM3.5559 (31 December 2024)	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"> <li>▪ have a medium to long-term investment horizon</li> <li>▪ target capital appreciation</li> <li>▪ do not require regular income</li> <li>▪ are comfortable with higher volatility</li> <li>▪ are willing to take higher risk for potential higher gains</li> </ul>	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

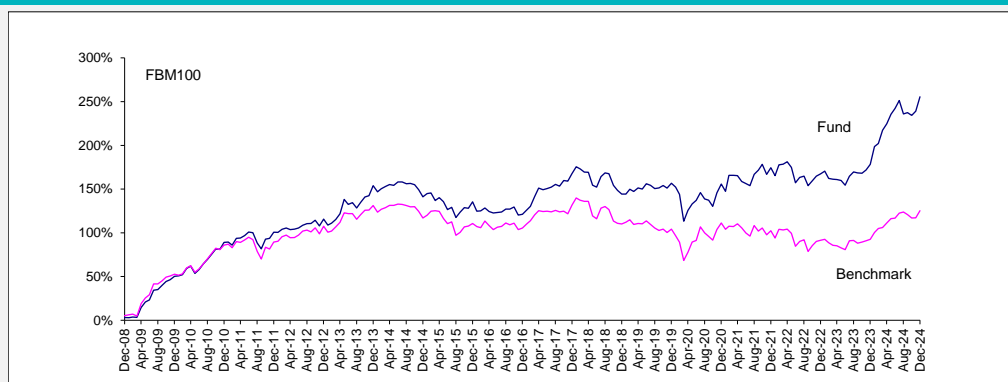
## SECTOR ALLOCATION OF THE FUND

Financial Services	22.75%
Utilities	12.85%
Construction	11.09%
Industrial Products & Services	10.81%
Health Care	8.90%
Energy	8.83%
Property	6.42%
Consumer Products & Services	4.75%
Technology	2.96%
Transportation & Logistics	2.68%
Telecommunications & Media	2.42%
Plantation	1.83%
Cash	3.70%
<b>Total</b>	<b>100.00%</b>

## TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	8.02%
CIMB Group Holdings Bhd	7.35%
Public Bank Bhd - Local	5.42%
Hartalega Holdings Bhd	5.18%
Gamuda Bhd	4.44%
Malayan Banking Bhd	4.01%
IJM Corp Bhd	3.06%
AMMB Holdings Bhd	3.03%
Sunway Bhd	2.90%
Dayang Enterprise Holding Bhd	2.67%
<b>Total</b>	<b>46.07%</b>

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	27.76	4.86	27.76	29.57	38.57	47.41	255.59
<b>Benchmark</b>	16.98	3.74	16.98	11.36	10.36	3.84	125.31

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

Source: Lipper

## FUND MANAGER'S COMMENTS

### Market review

In December 2024, the Fund rose 4.86%, outperformed the Benchmark by 112 basis points (bps). The outperformance was mainly due to the Fund's overweight in Health Care, Information Technology and Real Estate, its underweight in Consumer Discretionary and Consumer Staples as well as stock selections in Financials and Utilities.

For YTD, the Fund gained 27.76% compared to the Benchmark of 16.98%. Therefore, the Fund outperformed the Benchmark by 10.78 percentage points.

### Portfolio Strategy

The KLCI ended the last month of year on a strong note, up 3% and outperforming MSCI ASEAN's -1.1%, aided by year-end window dressing and cash redeployment by domestic funds amidst another month of heavy foreign selling due to policy uncertainties under the new US administration and the trajectory of Fed rates coupled with rising bond yields.

Malaysia's manufacturing sector moderated further in December, with a PMI reading of 48.6pts vs 49.2 pts the previous month, as demand conditions remain muted. S&P Global noted a slowdown in new orders, output, purchasing and stocks, while employment also fell marginally. Positively, inflationary pressures softened sharply. Optimism of a recovery in new orders over the coming 12 months remains solid, unchanged from November. The latest PMI data suggests 4Q24 GDP growth momentum could sustain at a similar pace as the preceding quarter, which was at 5.9%, albeit at a slower rate of increase. To recap, BNM now projects GDP to grow 4.8-5.3% in 2024, revised up from 4-5% previously, and the economy to expand by 4.5-5.5% in 2025.

We expect BNM to maintain OPR at 3.00% for 2025 given muted inflation and modest economic growth. Inflation rose at a slower pace of 1.8% in November vs 1.9% in October. There appears to be sufficient headroom to central bank's latest 2.0-3.5% CPI forecast for 2025 with the impending subsidy rationalization plans.

The KLCI is now trading at a forward PE of 14.5x, which is slightly below -1SD below the 10-year historical mean, but still more than 2SD below pre-Covid19 mean of 16x. Consensus projects earnings growth for FBM30 of 8-9% for 2024 and 2025. 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 -350bps; pre-Covid average of 250bps) and consequently higher valuation multiples.

Despite the stellar performance, we continue to be optimistic on the Malaysian. As we position for 2025, we will stay focused on stocks with quality growth, strong cash flows and sustainable dividends. Our key investment themes remain in domestic driven sectors and potential direct beneficiaries of the NETR. We remain positive in Utilities, Construction and Property. With the rising confidence in Malaysia's structural reforms and strong economic growth, we also stay optimistic on Financials. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to slower global economic growth and heightened geopolitical risk.

**RISKS**

All investment carries some form of risks. The potential key risks include but are not limited to the following:

<b>Market risk</b>	<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"><li>• Economic and financial market conditions</li><li>• Political change</li><li>• Broad investor sentiment</li><li>• Movements in interest rate and inflation</li><li>• Currency risks</li></ul> <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>
<b>Company or security specific risk</b>	<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>
<b>Credit risk</b>	<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 December 2024*

**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.