

# Sun Life Malaysia Balanced Aggressive Fund

November 2024



## FUND OBJECTIVE

To provide a mixed exposure into equities and bonds, with higher allocation into equities.

## INVESTMENT STRATEGY & APPROACH

The fund will feed into Sun Life Malaysia a Growth Fund and Sun Life Malaysia Conservative Fund according to a predefined asset allocation.

The Sun Life Malaysia Growth Fund combines a top down asset and sector allocation process with a bottom-up stock selection process. The asset allocation process is made after a review of macroeconomic trends in Malaysia and for the major economies. In particular, we consider the direction of GDP growth, interest rates, inflation, currencies and government policies. We next assess their impact on the various sectors, together with sector specific parameters to predict any discernible trends or themes. These trends or themes form the basis of our sector selection. Stock selection is based upon improving fundamentals and attractive relative valuations. Rising investor sentiment is an additional criteria. While we use a number of valuation methodologies, the price-earnings ratio is still preferred.

For the Sun Life Malaysia Conservative Fund, the strategy will be reviewed periodically based on the country's economic and bond outlook. We will adopt an active trading strategy and will be especially selective in buying and selling of securities for the Fund. We formulate an interest rate outlook through examining factors such as the Malaysian inflation rate, monetary policies and economic growth. With an interest rate outlook and yield curve analysis, we identify the weighting of the investment tenure and credit rating for the Fund. As part of the risk management strategy, the Fund is constructed and managed within the predetermined guidelines. Essentially, we monitor the bond portfolio according to duration, credit ratings and sector.

## FUND DETAILS

|                      |  |                                       |  |
|----------------------|--|---------------------------------------|--|
| Launch Date          | 20 October 2008  | Domicile                              | Malaysia   |
| Currency             | Ringgit Malaysia   | Launch Price                          | RM1.0000   |
| Units in Circulation | 2.47 million units<br>(29 November 2024)   | Fund Size                             | RM6.44 million<br>(29 November 2024)   |
| Unit NAV             | RM2.6115<br>(29 November 2024)   | Performance Benchmark                 | 75% FBM100 + 25% 12 month FD   |
| 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>Want a portfolio with higher exposure in equities</li><li>Preference to higher equity exposure for potentially higher capital appreciation</li><li>Need to reduce risk by investing in diversified bond portfolio</li><li>Prefer investing in bonds to cushion fund volatility</li></ul> | Fund Management Charge                | The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges: <ul style="list-style-type: none"><li>Sun Life Malaysia Growth Fund: 1.5% p.a</li><li>Sun Life Malaysia Conservative Fund: 1.0% p.a</li><li>There are no other fund management charges on this fund</li></ul> |

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](mailto:wecare@sunlifemalaysia.com) [sunlifemalaysia.com](http://sunlifemalaysia.com)

# Sun Life Malaysia Balanced Aggressive Fund

November 2024



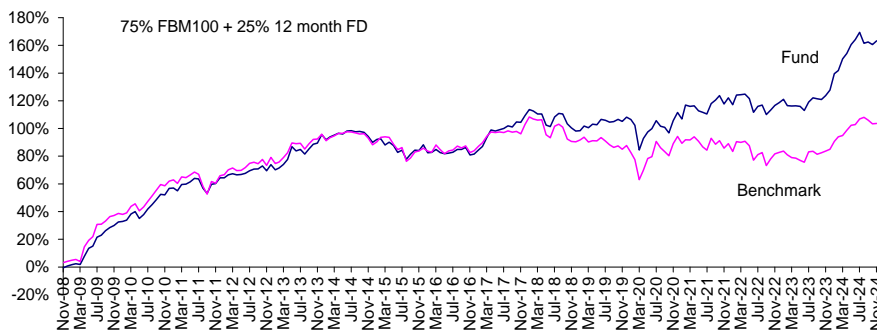
## WHERE THE FUND INVESTS

| Sun Life Malaysia Growth Fund | Sun Life Malaysia Conservative Fund | Cash  | Total   |
|-------------------------------|-------------------------------------|-------|---------|
| 74.40%                        | 25.40%                              | 0.20% | 100.00% |

## ASSET ALLOCATION

| Sun Life Malaysia Growth Fund | Sun Life Malaysia Conservative Fund |
|-------------------------------|-------------------------------------|
| 75.00%                        | 25.00%                              |

## PERFORMANCE RECORD



| %                | YTD   | 1M   | 1-Year | 3-Years | 5-Years | 10-Years | Since Inception |
|------------------|-------|------|--------|---------|---------|----------|-----------------|
| <b>Fund*</b>     | 15.58 | 1.07 | 17.68  | 20.91   | 28.40   | -        | 161.15          |
| <b>Benchmark</b> | 10.06 | 0.12 | 10.84  | 9.54    | 10.05   | 5.46     | 103.59          |

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

Source: Lipper

## FUND MANAGER'S COMMENTS

In November 2024, the Fund's performance increased by 1.07%, outperforming the benchmark by 0.96%.

The KLCI fell 0.5% in November as investors continue to risk off due to uncertainties surrounding potential new polices under the new US administration, as well as the trajectory of Fed rates given the recent economic data. Utilities, Commodities, Telcos, Transport and Consumer were sold off the most, while Banks, Healthcare, Property, Construction and Plantation posted modest gains. Corporate earnings sustained in 3Q24 with 9M results forming 74% of full year forecast which has baked in 9% growth for 2024.

Malaysia's manufacturing sector moderated in November, with a PMI reading of 49.2 pts vs 49.5 pts in the previous month, as demand conditions remain muted. S&P Global noted a slowdown in new orders, output and stocks, while employment was broadly stagnant. However, firms surveyed saw stronger overseas demand conditions which resulted in further increase in new export orders. The rate of input cost inflation eased further while firms look to lower prices in an attempt to stimulate sales. Optimism of a recovery in new orders over the coming 12 months remains solid, unchanged from October. 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.

The Malaysian Government Securities ("MGS") yield curve in the month of November displayed a mild bull steepening, with shorter-term yields declining more sharply (-8bps) than long-term yields (-5 to -9bps). However, the largest declines were observed in the mid-curve, particularly in the 7Y and 10Y tenors. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.51% (-8bps), 3.62% (-8bps), 3.77% (-15bps), 3.82% (-11bps), 3.96% (-6bps), 4.07% (-9bps) and 4.21% (-5bps), respectively in November.

The Government Investment Issue ("MGII") yield curve shifted lower, and bull steepened in November. Shorter-term yields declining more sharply (-7bps) than long-term yields (-5 to -8bps) with medium-term yields dropping the most (-13 to -15 bps). The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGII closed at 3.47% (-7bps), 3.64% (-7bps), 3.77% (-15bps), 3.82% (-13bps), 3.98% (-5bps), 4.11% (-8bps), and 4.20% (-1bps), respectively in November.

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](mailto:wecare@sunlifemalaysia.com) [sunlifemalaysia.com](http://sunlifemalaysia.com)

## 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 and/or 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 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>Interest rate risk</b>                | <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>   |
| <b>Liquidity risk</b>                    | <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>  |
| <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>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**

**Date : 29 November 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.