

Sun Life Malaysia Balanced Moderate Fund

November 2024



FUND OBJECTIVE

To provide a balanced exposure into equities and 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	11.71 million units (29 November 2024)	Fund Size	RM25.84 million (29 November 2024)
Unit NAV	RM2.2065 (29 November 2024)	Performance Benchmark	50% FBM100 + 50% 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">Want a balanced portfolio between equities and bondsAre risk neutral between bonds and equities	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">Sun Life Malaysia Growth Fund: 1.5% p.aSun Life Malaysia Conservative Fund: 1.0% p.aThere are no other fund management charges on this fund

ASSET ALLOCATION

Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund
50.00%	50.00%

WHERE THE FUND INVESTS

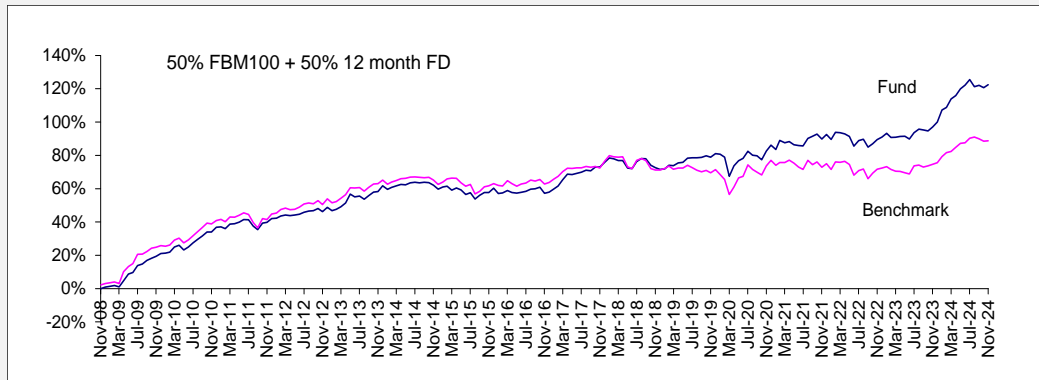
Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
50.43%	49.25%	0.32%	100.00%

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PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	11.23	0.82	12.88	17.23	24.30	37.25	122.47
Benchmark	7.48	0.14	8.08	9.19	11.30	14.30	88.81

* 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 0.82%, outperforming the benchmark by 0.68%.

The KLCI fell 0.5% in November as investors continue to risk off due to uncertainties surrounding potential new policies 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.

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 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>
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
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.