

FUND FACT SHEET

Name of fund	Sun Life Malaysia Universal Life Fund	
Features of fund		
Investment objective	To achieve steady capital appreciation with moderate volatility over the medium to long-term period through investment in bonds and equities.	
Investment strategy and approach	The investment approach is based on a combination of: a) Top-down fundamental analysis of the general economic and market conditions and risks; and b) Bottom-up security selection.	
Asset allocation	Asset	Asset Allocation (% of Total Assets)
	Bonds	Minimum 70%
	Equities	Maximum 10%
	Cash, Money Market and Others	Maximum 20%
Performance benchmark	Maybank 12-Month Fixed Deposit Rate	
Fund manager	Sun Life Malaysia Assurance Berhad (SLMA)	
Fees & charges		
Fund management charge (FMC)	0.75% per annum	
Taxation	8% of the annual investment income	
Fund performance		
Notice: Past performance of the fund is not an indication of its future performance, which may differ. The fund performance is not guaranteed.		
Table below shows the historical actual annual gross investment returns of the fund versus its benchmark:		
Year	Performance	Benchmark
2023	4.36%	2.86%
2022	4.23%	2.25%
2021	4.29%	1.85%
2020	4.26%	2.22%
2019	4.65%	3.19%
2018	4.81%	3.33%
2017	4.68%	3.10%
2014 - 2016	N/A	N/A
Past investment performance is not available before 2016 as the fund was set up in 2016. Updated: as at 31 December 2023.		
This is strictly the performance of the fund and not the returns earned on the actual premiums paid of the universal life product.		
Calculation of the past performance is based on the portfolio performance on a book value basis. Any realized gains or losses from the sale of fixed income assets in the portfolio as well as losses from asset defaults involve simplified amortization. For equity assets, realized and unrealized capital gains and losses are amortized as well. This approach gradually incorporates the fluctuation in market value into the portfolio performance. However, such amortizing strategy does not give policy owner a complete assurance against poor results. If poor investment returns continue over a period of time, it is possible to have a lower amortized book yield over a longer term.		
Risks		
All investment carries some form of risks. The potential key risks include but are not limited to the following:		
Stock specific risk	Any irregular fluctuation of the value of a particular stock may affect the price. In general, the value of a particular stock fluctuates in response to activities of individual companies and in response to market conditions. The impact is however reduced as the fund invests in a wide portfolio of investments; thus, spreading the element of risk through diversification. Diversification can be achieved by investing in various companies across different industries, sectors or even countries that are uncorrelated. In addition, SLMA will undertake an active bottom-up investment approach to ensure that the fundamentals of the stocks invested in are strong.	

Country risk	<p>When a fund invests into foreign markets, the foreign investments portion of the fund may be affected by risks specific to the country which it invests in. Such risks include adverse changes in the country's economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may have adverse impact on the prices of the fund's investment in that country and consequently may also affect the fund's Asset Under Management (AUM) and its growth. To mitigate these risks, SLMA will select securities and collective investment schemes that spread across countries within its portfolio in an attempt to avoid such events. Decision on diversification will be based on its constant fundamental research and analysis on global markets.</p> <p>SLMA has obtained the necessary licenses/permits for investments in countries that require such licenses/permits. In the event that such licenses/permits to invest are revoked or not renewed, SLMA would seek to invest in other accessible markets.</p>
Liquidity risk	<p>Liquidity risk can be defined as the ease with which a security can be sold. If a security encounters a liquidity crunch, the security may need to be sold at an unfavourable price. This in turn would depress the AUM of the fund. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the fund with more apparent liquidity risk, SLMA will continuously conduct research and analysis to actively manage the asset allocations.</p>
Currency risk	<p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian-based investors should be aware that if the Malaysian Ringgit (RM) appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the AUM of the fund and vice versa. Investors should note that any gains or losses arising from the movement of the foreign currencies against the RM may increase or decrease the capital gains of the investment. Therefore, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The investment manager could utilise two pronged approaches in order to mitigate the currency risk: firstly, by spreading the investments across different currencies (i.e. diversification) and secondly by hedging the currencies when it is deemed necessary.</p>
Credit (default) and counterparty risk	<p>When the fund invests in bond and/or conducts Over-The-Counter (OTC) transactions, this may involve a certain degree of credit (default) and counterparty risk with regards to the issuers and counterparties. Generally, credit (default) and counterparty risk is the risk of loss due to the issuers' or counterparties' non payment or untimely payment of the investment amount as well as the returns on investment including accrued coupon payments. This may result in a credit downgrade which will cause a decline in value of the investment and subsequently depress the AUM of the fund.</p> <p>In addition, each counterparty and issuer that the fund dealt with may issue a number of securities or a security with different tranches. Each of these securities carries its own credit rating. Thus, the fund may be exposed to varying degree of credit (default) and counterparty risk given that each security or tranche has different level of risk exposure. The risk is usually more apparent for investment with longer tenure, i.e. the longer the duration, the higher the credit (default) and counterparty risk.</p> <p>Credit (default) and counterparty risk can be managed by performing continuous bottom-up and top-down credit research and analysis to ascertain the creditworthiness of its counterparties and/or issuers as well as the credit quality of their issues. In addition, SLMA imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the fund. For this fund, the bond investment must satisfy a minimum rating requirement of at least "A3" or "P1" by RAM or equivalent rating by MARC or by local rating agency(ies) of the country or "BBB-" by S&P or equivalent rating by Moody's or Fitch.</p> <p>The fund's placements of deposits are subject to credit (default) and counterparty risk. This is the risk of loss due to the counterparty's non payment or untimely payment of the investment amount as well as the returns on investment. This may lead to a default in the payment of principal and/or interest income and ultimately a reduction in the value of the fund. SLMA aims to mitigate this risk by ensuring that the counterparties satisfy a minimum rating of at least "AA3" by RAM or equivalent rating by MARC, and imposes investment limits on exposures for 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.</p>

Interest rate risk	<p>In general, when interest rates rise, bond prices will tend to fall and vice versa. Therefore, the AUM of the fund may also fall when interest rates rise or is expected to rise. However, investors should be aware that should the fund hold a bond till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the AUM shall not be affected at maturity. In order to mitigate interest rates exposure of the fund, SLMA will manage the duration of the portfolio via shorter or longer tenured assets depending on SLMA's or its fund management delegate's view on the future interest rate trend, which is based on its continuous fundamental research and analysis, and the liability profile.</p>
Risk associated with temporary defensive positions	<p>When SLMA decides to take temporary defensive positions, like divesting from equity positions and investing in fixed income instruments and/or money market instruments, it may cause the fund to underperform its benchmark. This is because not all of these investment decisions will be correct. To manage the risk, SLMA will perform continuous fundamental research and analysis on regional and global macroeconomic trends.</p>
Risk of investing in emerging markets	<p>Investing in assets from the emerging markets generally entails a greater risk (potentially including considerable legal, economic and political risks) than investing in assets from the markets of industrialized countries. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. During the past few years, there have been significant political, economic and societal changes in many emerging-market countries. In many cases, political considerations have led to substantial economic and societal tensions, and in some cases, these countries have experienced both political and economic instability. Political or economic instability can influence investor confidence, which in turn can have a negative effect on exchange rates and security prices in emerging markets.</p> <p>The exchange rates and the prices of securities in the emerging markets are often extremely volatile. Changes to these security prices can be caused by interest rates, changes to the balance of demand and supply, external forces affecting the market (especially in connection with important trading partners), trade-related, tax-related or monetary policies, governmental policies as well as international political and economic events.</p> <p>In most cases, the securities markets in the emerging markets are still in their primary stage of development. Markets in emerging market countries are frequently characterized by illiquidity in the form of lower trading volumes of the listed securities. In comparison with investments in the developed markets, securities in the emerging markets may face a higher risk of price drop and increased volatility in the security prices which can lead to the potential for investors to reduce their exposure to investment in securities in the emerging markets securities as compared to investment in securities of the developed markets. As such, investors should bear in mind that investments in emerging markets are subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the fund's growth. SLMA will attempt to mitigate all these risks through its active asset allocation management and diversification, in addition to its continuous bottom-up and top-down research and analysis.</p>
Other information	
Target market	<p>Suitable for investors who:</p> <ul style="list-style-type: none"> • have a medium-term to long-term investment horizon; and/or • are willing to take moderate risks for potentially moderate capital returns over the long-term.

This fund fact sheet is prepared by the fund manager for informational purposes only. This document shall under no circumstances be construed as an offer to sell nor shall it be taken as a form of professional advice of any manner. The performance of the fund is not guaranteed and the value of investment and their derived income may increase or decrease. Past performance is not a guide to future or likely performance. Before investing into the fund, you should consider whether the fund meets your investment objective and risk appetite. Although the information in this document was compiled with due care and from reliable sources, Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any particular purpose. Sun Life Malaysia reserves the right to change any information without giving any notice.