

Sun Life Malaysia Balanced Aggressive Fund

March 2024



FUND OBJECTIVE

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

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	2.56 million units (29 March 2024)	Fund Size	RM6.36 million (29 March 2024)
Unit NAV	RM2.4824 (29 March 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	75% FBM100 + 25% 12 month FD
Taxation	8% of annual investment income	Other Charges	Inclusive of auditor fee
Risk Profile	Suitable for investors: <ul style="list-style-type: none">Want a portfolio with higher exposure in equitiesPreference to higher equity exposure for potentially higher capital appreciationNeed to reduce risk by investing in diversified bond portfolioPrefer investing in bonds to cushion fund volatility	Fees	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.a.Sun Life Malaysia Conservative Fund: 1.0% p.a.There are no other fund management charges on this fund

ASSET ALLOCATION

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

WHERE THE FUND INVESTS

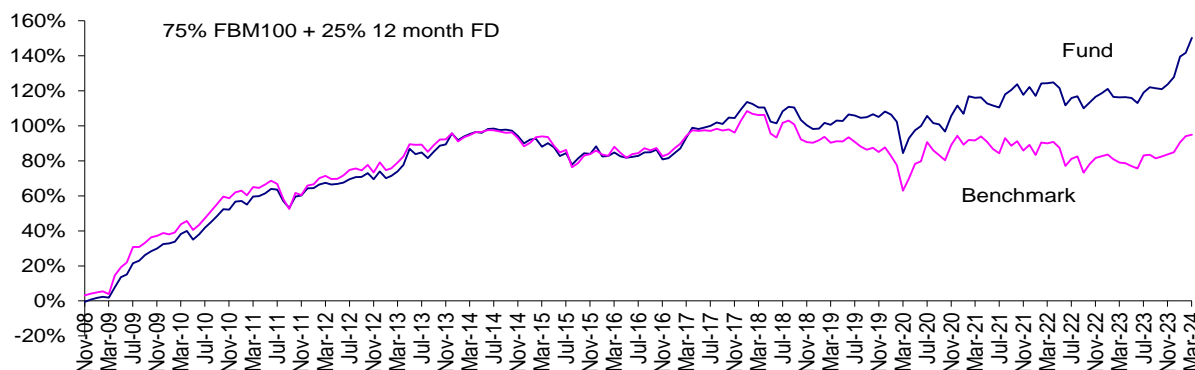
Sun Life Malaysia Growth Fund	Sun Life Malaysia Conservative Fund	Cash	Total
75.46%	24.67%	-0.13%	100.00%

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PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	9.87	3.52	15.75	15.86	24.79	28.18	150.29
Benchmark	5.38	0.45	8.91	1.67	2.43	0.12	94.93

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

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

FUND MANAGER'S COMMENTS

In March 2024, the Fund's performance increased by 3.52%, outperforming the benchmark by 3.07%.

KLCI lost 1% in March as profit-taking set in following 5 months of consecutive gains. Bets on rate cuts by the Fed were pushed back given the persistent strong data out of the US, and there was an absence of fresh catalysts domestically. During the month, there were also distortions caused by FTSE rebalancing (as well as MSCI rebalancing in Feb) and many index stocks going ex-dividends. Financials, Transport, Utilities and Commodities topped the gainers list while Telcos languished. Within the broader market, Property, Construction, Tech, Healthcare and Energy did well.

Malaysia's manufacturing sector unexpectedly weakened in March following a strong start to the year, with the PMI reading at 48.4 vs 49.5pts in February. S&P Global noted a more pronounced slowdown in new orders, output and employment during the month while business confidence reached a seven-month low. Higher raw material prices and currency weakness added to firms' input costs but selling prices remained broadly unchanged. Manufacturers remain optimistic that demand environment would improve and that price conditions would stabilize but there are heightened concerns on the timing of recovery. The latest PMI data still supports a modest improvement in 1Q24 GDP growth. To recap, BNM projects GDP to grow 4-5% in 2024, from an estimate of 3.8% in 2023.

The Malaysian Government Securities ("MGS") yield curve bull flattened as the short-term yields increased more than the long-term yields, mirroring a similar trend in US Treasuries, albeit at smaller magnitudes. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.48% (+1bps), 3.66% (+1bps), 3.78% (+1bps), 3.88% (-1bps), 4.00% (-2bps), 4.09% (-1bps) and 4.20% (-1bps), respectively in March 2024. MGS yield curves bull flattened in the month of March a long with US Treasuries and a slight recovery of the Ringgit. MGS yield curve rates rose mildly at the shorter-end by 1bp, and rates fell slightly by 1-2bps at the long-end of the curve. QTD through March, the 10-year MGS and 10-year MGII corrected the most by 14bps (to 3.88%) and 6bps (to 3.86%), respectively. The 5-year to 15-year MGS remained the steepest part of the curve.

Bank Negara Malaysia ("BNM") kept the Overnight Policy Rate ("OPR") at 3.00% for the 5th straight Monetary Policy Committee ("MPC") meeting at its second meeting for the year on 6-7 March, amid improving economic growth, moderate inflation, and stabilization in Ringgit against US-dollar. The decision was anticipated and in line with market consensus. The policy rate has now remained unchanged for 10 months after it was last raised in May 2023. BNM maintained its overall neutral language in the MPC statement, unchanged since September 2023, but with a slight optimism on regional economic activities and global trade, supported by the expectation of monetary easing by global central banks in 2024.

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 March 2024

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. 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.