

### 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	27.37 million units (30 September 2024)	Fund Size	RM92.38 million (30 September 2024)
Unit NAV	RM3.3752 (30 September 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

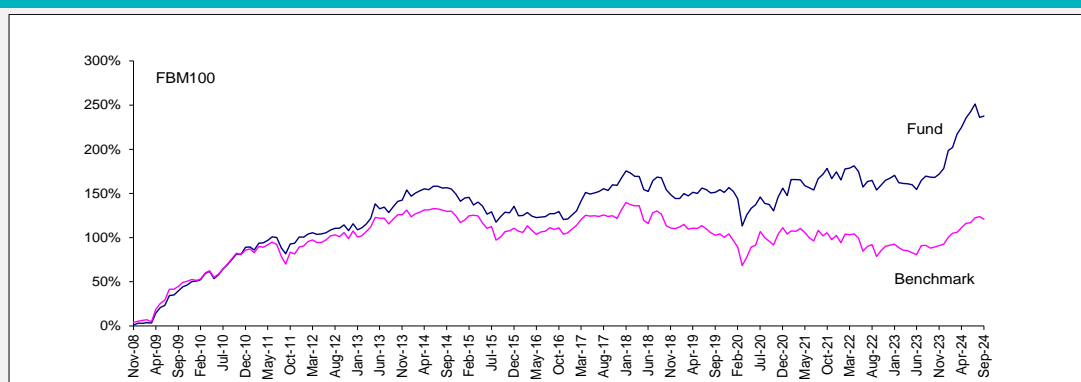
## SECTOR ALLOCATION OF THE FUND

Financial Services	24.19%
Utilities	12.90%
Energy	11.11%
Construction	10.42%
Industrial Products & Services	7.39%
Health Care	7.24%
Property	6.41%
Consumer Products & Services	5.11%
Transportation & Logistics	4.22%
Technology	4.10%
Telecommunications & Media	2.34%
Plantation	1.73%
Cash	2.84%
<b>Total</b>	<b>100.00%</b>

## TOP HOLDINGS OF THE FUND (EQUITIES)

CIMB Group Holdings Bhd	7.67%
Tenaga Nasional Bhd	7.61%
Public Bank Bhd - Local	5.76%
Malayan Banking Bhd	4.37%
Gamuda Bhd	4.03%
Hartalega Holdings Bhd	4.00%
IJM Corp Bhd	3.73%
Dayang Enterprise Holding Bhd	3.34%
Dialog Group Bhd	3.16%
Malaysia Airports Holding Bhd	2.93%
<b>Total</b>	<b>46.61%</b>

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	21.27	0.44	25.68	24.24	34.27	31.59	237.52
<b>Benchmark</b>	14.65	-1.36	17.35	9.31	8.91	-3.87	120.82

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

Source: Lipper

## FUND MANAGER'S COMMENTS

### Market review

In September 2024, the Fund rose 0.44%, outperformed the Benchmark by 180 basis points (bps). The outperformance was mainly due to the Fund's overweight in Industrials, Healthcare and Real Estate as well as the underweight in Consumer Staples and Materials.

### Portfolio Strategy

After hitting a 5-year high, the KLCI settled 1.8% lower in September on the back of profit taking. This was in stark contrast to the stronger US market which recorded new highs following Fed's 50bps cut during the month and greater confidence of a soft landing scenario for the US economy. Most sectors were down except for Construction, Property and Healthcare, with Energy and Tech sold off the most.

Malaysia's manufacturing sector moderated in September with a PMI reading of 49.5 pts vs 49.7 pts in the previous month. S&P Global noted flat new order growth which contributed to lower production, while purchasing activity and inventories were scaled back further. Encouragingly, employment showed an uptick while inflationary pressures also eased, potentially due to the stronger Ringgit. Optimism of a recovery in new orders over the coming 12 months rose to a YTD high. The latest PMI data suggests 3Q24 GDP growth momentum could sustain at a similar pace as the preceding quarter, which was at 5.9%. To recap, BNM projects GDP to grow 4-5% in 2024.

We expect BNM to maintain OPR at 3.00% for the rest of the year given muted inflation and modest economic growth. Inflation eased slightly to 1.9% in August vs 2% in July. There appears to be sufficient headroom to central bank's latest 2.0-3.5% CPI forecast for 2024 with the impending subsidy rationalization plans.

The KLCI is now trading at a forward PE of just over 14x, which is at -0.5SD 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 ~320bps; pre-Covid average of 230bps) and consequently higher valuation multiples.

The Malaysian market saw some profit taking in September and went into consolidation mode towards the quarter-end. Volatility will likely persist driven by external factors, but we continue to be positive on the Malaysian market. Domestically, investors will be waiting for the upcoming budget on the 18th of October to get a glimpse of the future fiscal and monetary policies for the country. We reiterate our strategy with preference on big cap companies with strong fundamentals and solid cash flow and dividends in sectors such as Banks and Utilities. Key investment themes remain in domestic driven sectors (property, construction, consumer) and potential direct beneficiaries of the NETR. We also see opportunities in beaten-down sectors such as oil and gas which we think have been de-rated beyond their fundamentals. 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 : *30 September 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.