

# Sun Life Malaysia Balanced Moderate Fund

April 2024



## FUND OBJECTIVE

To provide a balanced exposure into equities and bonds.

## FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	10.92 million units (30 April 2024)	Fund Size	RM23.38 million (30 April 2024)
Unit NAV	RM2.1409 (30 April 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	50% FBM100 + 50% 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"><li>Want a balanced portfolio between equities and bonds</li><li>Are risk neutral between bonds and equities</li></ul>	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"><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>

## ASSET ALLOCATION

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

## WHERE THE FUND INVESTS

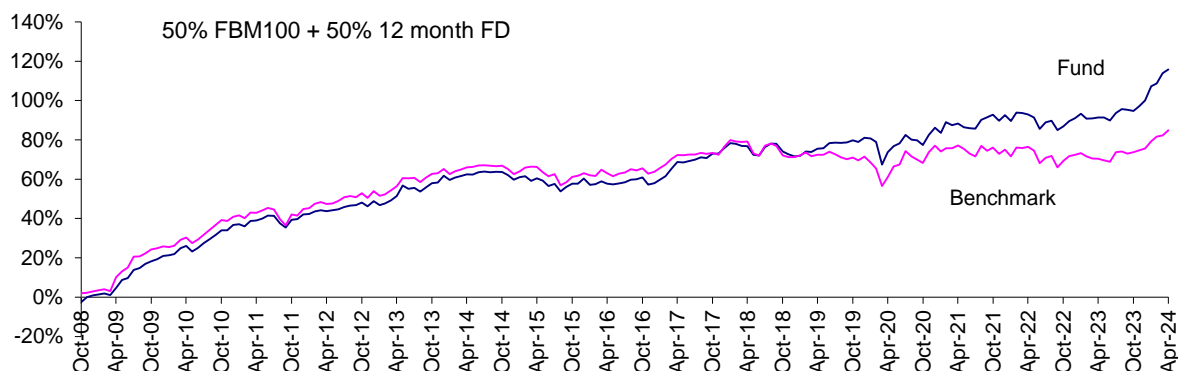
Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
49.46%	50.57%	-0.03%	100.00%

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**PERFORMANCE RECORD**



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	7.92	0.94	12.80	14.66	22.99	32.83	115.85
<b>Benchmark</b>	5.23	1.38	8.45	4.31	7.23	11.33	84.82

\* 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 April 2024, the Fund's performance decreased to 0.94%, underperforming the benchmark by 0.44%.

KLCI gained 2.6% in April with the index settling at a two-year high. Local investors remain upbeat despite bets on rate cuts by the Fed pushed back given the persistent strong economic data out of the US and sticky inflation. The run-up was relatively broad-based but Utilities, Industrial (mainly PMAH), Healthcare and Transport led gains while Energy eased. Within the broader market, Property and Consumer did well.

Malaysia's manufacturing sector improved in April with the PMI reading at 49.0pts vs 48.4pts in March. S&P Global saw evidence of demand conditions moving on an upward trajectory given the softer moderations in production, new business and purchasing, coupled with renewed expansion in new export sales to the strongest level in 3 years. That said, business confidence waned and are growingly unsure regarding the timing and speed of demand recovery citing concerns on the global economy. Higher raw material prices and currency weakness added to firms' input costs and output charges. The latest PMI data still supports a modest improvement official statistic. To recap, BNM projects GDP to grow 4-5% in 2024, from an estimate of 3.8% in 2023.

The Malaysia Government Securities ("MGS") yield curve bear steepened as the long-term yields increased more than the short-term yields, broadly in-line with the trend seen in US Treasuries, albeit at smaller magnitudes. Yields were up between 6 to 17bps across the curve. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.61% (+13bps), 3.77% (+11bps), 3.90% (+12bps), 3.99% (+11bps), 4.06% (+6bps), 4.25% (+17bps) and 4.30% (+10bps), respectively in April 2024. The Government Investment Issue ("GII") yield curve, however, bear flattened, with the short-end yields adjusting higher than the long-end yields, which seem to be well supported. Yields were up between 5 to 17bps across the curve. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGII closed at 3.66% (+17bps), 3.80% (+16bps), 3.88% (+10bps), 4.00% (+14bps), 4.08% (+17bps), 4.22% (+11bps), and 4.29% (+5bps) respectively in April 2024.

MGS and MGII yield curves adjusted higher in the month of April, as the sentiment towards fixed income assets was bearish. MGS term spread movements were generally mixed, widening in the 5v3 and 20v3, but tightening slightly on the 10v3 and 30v3. Term spreads, however, continue to be below their longer-term averages. Meanwhile, corporate credit spreads tightened across most tenors within the AA and A rating bands, between 2 to 8bps and 5 to 15bps, respectively. For GGs, spreads generally widened by 1 to 6bps across tenors as it was already at historical lows at end-March, except for the 20-year tenor, which remained in demand. Meanwhile, spread movements were more mixed in the AAA (tightening in the 3-, 10- and 20-year but widening in the 5-, 7- and 15-year tenors).

## 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 : 30 April 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.