

### 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	27.18 million units (30 August 2024)	Fund Size	RM91.34 million (30 August 2024)
Unit NAV	RM3.3604 (30 August 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

# Sun Life Malaysia Growth Fund

August 2024



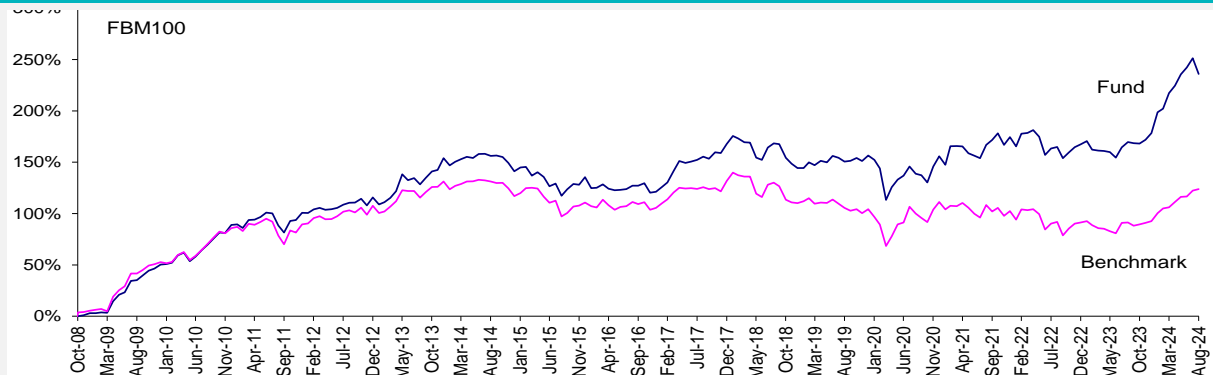
## SECTOR ALLOCATION OF THE FUND

Financial Services	25.43%
Utilities	12.91%
Energy	12.39%
Construction	8.94%
Industrial Products & Services	7.75%
Health Care	6.88%
Transportation & Logistics	5.38%
Property	5.26%
Consumer Products & Services	4.84%
Technology	4.24%
Telecommunications & Media	1.83%
Plantation	1.67%
Cash	2.48%
<b>Total</b>	<b>100.00%</b>

## TOP HOLDINGS OF THE FUND (EQUITIES)

CIMB Group Holdings Bhd	8.13%
Tenaga Nasional Bhd	7.41%
Public Bank Bhd - Local	6.16%
Malayan Banking Bhd	4.55%
Malaysia Airports Holding Bhd	3.97%
Dayang Enterprise Holding Bhd	3.85%
Gamuda Bhd	3.78%
IJM Corp Bhd	3.70%
Hartalega Holdings Bhd	3.59%
Dialog Group Bhd	3.51%
<b>Total</b>	<b>48.65%</b>

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	20.74	-4.33	24.66	25.93	34.10	31.20	236.04
<b>Benchmark</b>	16.23	0.65	17.05	7.45	8.91	-3.14	123.87

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

Source: Lipper

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## FUND MANAGER'S COMMENTS

### Market review

In August 2024, the Fund was down by 4.33%, underperformed the Benchmark by 498 basis points (bps). The underperformance was mainly due to the fund's overweight in Industrials, Healthcare, Real Estate, Information Technology and Energy, as well as the underweight in Communication Services, Consumer Discretionary, Financials and Utilities.

### Portfolio Strategy

The KLCI rose a further 3.5% in August and landed at a 5-year high. This was despite the sharp sell-off at the start of the month due to the massive unwinding of the Yen carry trade. Sentiment was helped by waning US recession fears given the more 'upbeat' economic data, and greater conviction on Fed cuts, coupled with the 5% appreciation in the Ringgit during the month. MSCI rebalancing also helped. Unfortunately, gains were largely concentrated on Banks and Plantations – all other sectors languished.

Malaysia's August manufacturing PMI reading was unchanged compared to the previous month at 49.7pts. S&P Global indicated that demand conditions were subdued, and production and new orders moderated marginally. Consequently, manufacturers scaled back purchases, employment, and stock holdings. They were also faced with a marked increase in input cost due to rise in raw material prices and weak exchange rate, and output charges were raised accordingly. Optimism of a recovery in new orders supported confidence that production will rise over the coming 12 months. The latest PMI data suggests 2Q24 GDP growth momentum, which was at 5.9%, continuing. 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 was at 2% in July, same as June. 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 15x, which is at the 10-year historical mean, but still more than 1SD below pre-Covid19 mean of 16x. Consensus projects earnings growth of 8-9% (post-2Q24 adjustment) for 2024 and 2025. Sustained strength in domestic investments (both DDI and FDI), fiscal consolidation gathering pace (in particular, subsidy rationalization initiatives) and the strengthening of the Ringgit are factors we see supportive of the further narrowing of risk premiums (current yield gap at ~280bps; pre-Covid average of 230bps) and consequently higher valuation multiples.

Overall, we remain positive on the Malaysian market. We expect market volatility to persist in the coming months, which mainly driven by external factors. However, we believe the correction in the market is an opportunity to buy. Key investment themes remain in domestic driven sectors and potential direct beneficiaries of the NETR. Furthermore, Malaysia seems to be in a sweet spot benefiting from data center investments, China+1 strategy and SEZ which are expected to attract higher foreign inflows. With the rising confidence in Malaysia's structural reforms and strong economic growth, we also remain optimistic on Financials sector. 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 August 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.