

# Sun Life Malaysia Balanced Stable Fund

November 2023



## FUND OBJECTIVE

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

## FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.41 million units (30 November 2023)	Fund Size	RM2.39 million (30 November 2023)
Unit NAV	RM1.6967 (30 November 2023)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	25% FBM100 + 75% 12 month FD
Taxation	8% of annual investment income	Other Charges	Inclusive of auditor fee
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"><li>Want a diversified portfolio in equities but higher exposure in bonds</li><li>Prefer less volatile performance and want slightly higher gains than bond return</li></ul>	Fees	<p>The fund will feed into Sun Life Malaysia Growth Fund and Sun Life Malaysia Conservative Fund which applies the following fund management charges:</p> <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
75.00%	25.00%

## WHERE THE FUND INVESTS

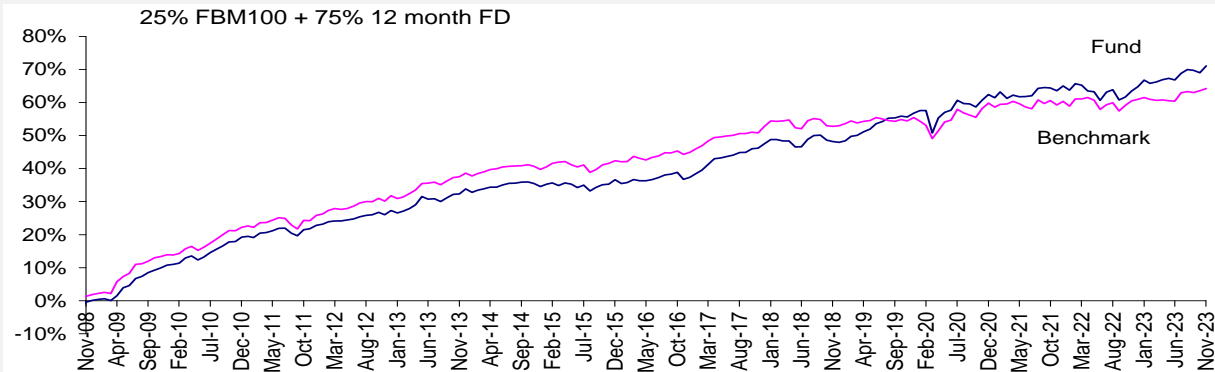
Sun Life Malaysia Conservative Fund	Sun Life Malaysia Growth Fund	Cash	Total
75.24%	24.75%	0.01%	100.00%

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

Telephone (603) 2612 3600 Client Careline 1300-88-5055 [wecare@sunlifemalaysia.com](mailto:wecare@sunlifemalaysia.com) [sunlifemalaysia.com](http://sunlifemalaysia.com)

**PERFORMANCE RECORD**



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	3.81	1.23	4.65	6.46	15.44	29.28	71.07
<b>Benchmark</b>	2.00	0.38	2.34	3.80	7.48	19.38	64.22

\* 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 November 2023, the Fund's performance increased by 1.23%, outperforming the benchmark by 0.85%.

KLCI gained 10pts or 0.7% in November, which improved the YTD decline to 2.9%. Investors bought into Utilities, Telcos, Commodities (mainly plantations) and Gaming, took profit on Financials following the previous month's run-up. Within the broader market, Tech and Healthcare did well, while Energy languished on the back of lower oil prices. Overall sentiment was lifted by expectations that the US Fed may be done with rate hikes given the cooling inflation and recent economic data out of the US. The pullback in US treasury yields and the weaker dollar lifted interest in EM markets.

Malaysia's PMI improved to 47.9 pts from October's 46.8pts, which is at a 7-month high amid softer moderation of new orders. According to S&P Global, Malaysian manufacturers, while endured soft demand conditions witnessed tentative signs of improvement leading to less pronounced slowdowns in new orders, output and employment. The Ringgit weakness and higher raw material prices added to input cost pressures, but the rate of inflation remains relatively muted, so are selling prices. Optimism that the demand environment will improve over the course of the next 12 months picked up to a 7-month high.

Malaysia's economy expanded 3.3% yoy in 3Q23 vs 2.9% yoy in 2Q23 and median forecast of 2.7%. For the nine months, it was 3.9%, consistent with the Government's GDP growth forecast of 4% for 2023. Domestic demand remained strong, growing 4.8% in the third quarter, buoyed by resilient labor market and an improving tourism sector and these helped offset the weakness in trade which contracted 16%.

The Malaysian Government Securities (MGS) yield curve shifted lower during the month of November as the strong rally in US Treasuries, which was the biggest since the financial crisis in November 2008, boosted sentiment in the local bond market as well. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.52% (-18bps), 3.68% (-23bps), 3.84% (-25bps), 3.82% (-28bps), 4.05% (-23bps), 4.18% (-23bps) and 4.30% (-22bps), respectively in November 2023.

In November, Bank Negara Malaysia (BNM) kept the overnight policy rate (OPR) rate at 3.00% in its last monetary policy committee (MPC) meeting of the year, given the stable domestic inflation and positive economic growth outlook amid the challenging external environment. BNM highlighted that the sharp depreciation of the Malaysian ringgit against the US-Dollar should not impact Malaysia's growth prospects. We expect BNM to keep OPR unchanged at 3.00% for an extended period to strengthen economic growth and maintain the current stable inflation.

## 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 November 2023*

### 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.