

Sun Life Malaysia Growth Fund

March 2025



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	28.23 million units (28 March 2025)	Fund Size	RM89.31 million (28 March 2025)
Unit NAV	RM3.1638 (28 March 2025)	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">▪ have a medium to long-term investment horizon▪ target capital appreciation▪ do not require regular income▪ are comfortable with higher volatility▪ are willing to take higher risk for potential higher gains	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

March 2025



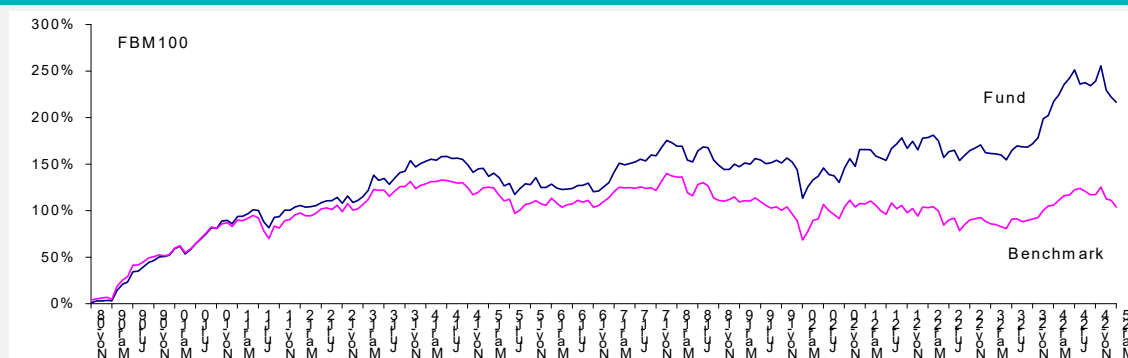
SECTOR ALLOCATION OF THE FUND

Financial Services	26.92%
Utilities	12.12%
Energy	9.30%
Construction	9.14%
Industrial Products & Services	8.66%
Property	5.59%
Consumer Products & Services	5.20%
Health Care	4.84%
Technology	3.02%
Telecommunications & Media	2.62%
Plantation	2.00%
Transportation & Logistics	1.96%
Cash	8.63%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	7.91%
CIMB Group Holdings Bhd	6.90%
Public Bank Bhd - Local	6.87%
Malayan Banking Bhd	6.06%
Gamuda Bhd	4.72%
AMMB Holdings Bhd	4.17%
Sunway Bhd	3.05%
Telekom Malaysia Bhd	2.62%
Dayang Enterprise Holdings Bhd	2.42%
Frontken Corporation Bhd	2.36%
Total	47.08%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-11.03	-1.82	-0.30	13.57	48.35	33.55	216.38
Benchmark	-9.48	-3.42	-1.02	0.33	21.13	-9.44	103.95

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

Source: Lipper

FUND MANAGER'S COMMENTS

Market review

In March 2025, the Fund fell 1.82%, outperformed the Benchmark by 160 basis points (bps). The outperformance was mainly due to the Fund's overweight in Energy, Healthcare and Industrials, its underweight in Communication Services and Consumer Staples as well as selection in Utilities.

Portfolio Strategy

The KLCI was down 3.9% (-3.3% in USD terms) and underperformed MSCI ASEAN's +1% in March 2025. Aside from the risk aversion surrounding impending Trump tariff measures and recession fears re-emerging in the US, the index was also weighed down by many heavyweights going ex-dividend during the month and ROI harvesting activities by domestic institutions. Almost all sectors were in the red with top laggards being Telcos, Financials and Healthcare.

Malaysia's manufacturing sector moderated in March after a notable improvement in February, with a PMI reading of 48.8pts vs 49.7pts. S&P Global stated that firms remained under pressure at the end of the 1Q, with broad-based weakness seen. New export orders, output, employment and inventory levels eased, with some evidence suggesting that global trade uncertainty had affected international demand. Business confidence, after hitting the highest since October 2024 in February, also waned. That said, the latest PMI data still suggests modest growth in GDP for 1Q25, sustaining the trend seen in 2H24. To recap, Malaysia's GDP grew by 5% in 4Q24 and 5.1% for 2024. BNM maintained its GDP growth forecast of 4.5-5.5% in 2025 during the recent briefing but highlighted potential risk to growth due to the trade restrictions.

BNM maintained OPR at 3.00% during the last MPC meeting and we expect the central bank to hold rates steady given muted inflation and modest economic growth. Inflation rose 1.5% in February, lower than the 1.7% in the previous month. There appears to be sufficient headroom to central bank's latest 2.0-3.5% CPI forecast for 2025 with the impending subsidy rationalization plans.

The KLCI is now trading at a forward PE of 13.3x, which is approx. -1.5SD below the 10-year historical mean. Consensus projects earnings growth for FBM30 of c.7% for 2025 and 2026. 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 ~370bps; pre-Covid average of 250bps) and consequently higher valuation multiples.

The Malaysian market drifted further due to global volatility and heavy foreign outflows. Investor sentiment has been dented by external macro concerns and will remain unsettled due to increasing recession risks in the US economy amid Trump's unpredictable tariff and trade policies. Despite external uncertainties, we believe there are still opportunities in Malaysia backed by strong domestic catalysts, investment upcycle and rolling out of government policies and initiatives. In view of the current macro environment, we see the situation as fluid for the stock market and would continue to bargain hunt but would stick to liquid, quality names. We continue to seek opportunities in companies with defensive profiles and value-beaten down names especially in domestic driven sectors and potential direct beneficiaries of the NETR. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to slower global economic growth and heightened geopolitical risks

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 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>
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>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 : 28 March 2025

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.