

# Sun Life Malaysia Conservative Fund

June 2025



## FUND OBJECTIVE

To achieve medium to long term capital appreciation through investments primarily in Malaysian bonds.

## 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	20.22 million units (30 June 2025)	Fund Size	RM34.46 million (30 June 2025)
Unit NAV	RM1.7041 (30 June 2025)	Performance Benchmark	12 month FD
Fund Manager	Principal Asset Management Bhd	Frequency and Basis of Unit Valuation	The unit price determined daily based on the value of our 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 & transaction charge
Target Market	Suitable for investors: <ul style="list-style-type: none"><li>▪ Have a medium to long term investment horizon</li><li>▪ Want a diversified portfolio of fixed interest securities</li><li>▪ Are looking for a less volatile investment but can accept lower returns</li></ul>	Fund Management Charges	Management Fee: 1.0% p.a

## ASSET ALLOCATION OF THE FUND

Bonds/Debentures	Cash
Minimum 80% of Net Asset Value (NAV)	Balance of fund

## SECTOR ALLOCATION OF THE FUND

Corporate Bond	Government Bond	Short Term Paper	Cash	Total
88.64%	4.37%	0.00%	6.99%	100.00%

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

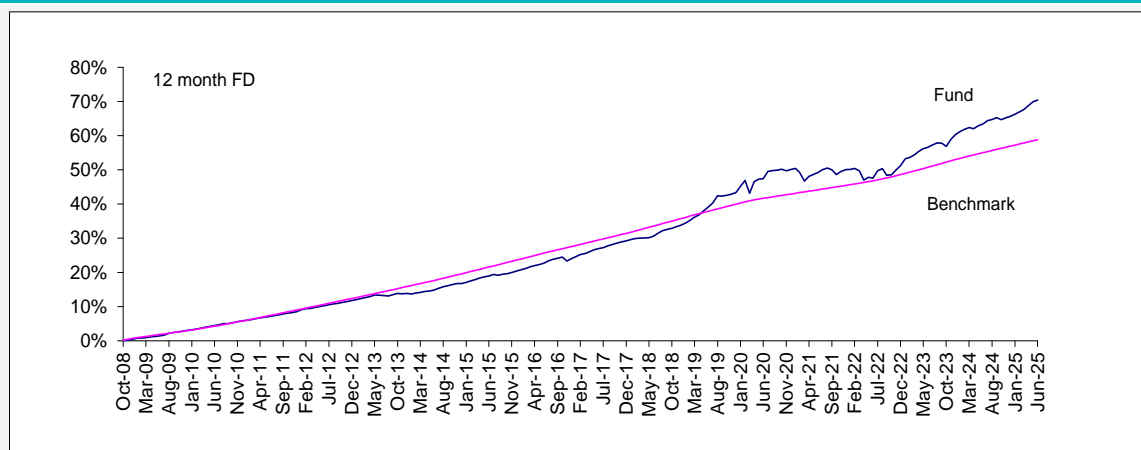
Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

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

## TOP HOLDINGS OF THE FUND

Bond Issuer	Coupon	Maturity Date	%	Bond Issuer	Coupon	Maturity Date	%
Sarawak Energy Bhd	5.50%	04/07/2029	7.97	Dialog Group Bhd	4.53%	28/01/2032	2.16
Sarawak Energy Bhd	4.70%	24/11/2028	3.02	UEM Sunrise Bhd	4.08%	04/03/2032	2.00
Malaysian Government Securities	4.065%	15/06/2050	2.94	Tenaga Nasional Bhd	3.55%	10/08/2040	2.00
Kemajuan Pertanian Negeri Pahang	4.36%	29/10/2027	2.92	Johor Corp	4.45%	05/07/2030	1.63
Imtiaz Sukuk II Bhd	3.98%	05/05/2032	2.39	Projek Lebuhraya Usahasama Bhd Sukuk Plus	5.15%	12/01/2032	1.61

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	2.85	0.28	4.28	15.45	15.59	43.31	70.41
<b>Benchmark</b>	1.19	0.19	2.44	8.19	12.09	30.64	58.81

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

Source: Lipper

## FUND MANAGER'S COMMENTS

### Market Review

In June, the Malaysian Government Securities ("MGS") yield curve moved mixed as the 10-year closed at 3.47% (-8bps) at month-end whilst the 3-year and 30-year also moved marginally lower by 1 to 2bps. Meanwhile, the 7-year moved higher by 3bps. The rally in the 10-year was driven by the auction for the 10-year MGS new issue which saw strong demand despite the lower yields as well as the rally in US Treasuries.

The 3-, 5-, 7-, 10-, 15-, 20- and 30-year benchmarks closed at 3.16% (-1bps), 3.20% (unchanged), 3.41% (+3bps), 3.47% (-8bps), 3.70% (unchanged), 3.81% (unchanged) and 4.07% (-2bps), respectively in June.

MGS/GII trading volume declined in June by -27% MoM to RM119.1 billion from RM163.6 billion, while corporate trading volume also decreased by -8% MoM to RM5.4 billion from RM5.92 billion in June 2025.

Credit spreads narrowed between 2 to 7bps across all rating categories for tenures up to 7-year. However, for the 10-year, it widened between 4 to 10bps across all rating bands. Meanwhile, for the long end AAA and AA, it between 2 to 5bps. For the long end GGs and single-A, spreads were unchanged.

### Outlook & Strategy

Locally, all eyes will be on the decision by BNM's Monetary Policy Committee at their meeting on 9th July. More importantly, the language and tone of the MPC statement will need to be scrutinized to anticipate forward-looking market movements and expectations.

With the extension of the tariff deadline extended to 1 August, we can expect trade uncertainties to continue for now. On the geopolitical front, it remains a wild card at this juncture, and we will need to stay nimble for any possibilities.

With the recent rally in the local government bond market as market prices in a potential rate cut, we aim to take profit on the shorter end government bonds but to continue having a tactical position in government bonds as we expect local markets to remain supported with lesser upcoming supply.

Our preference remains on corporates in general for the yield pick-up and carry it offers. With the local corporate bond pipeline expected to be heavy and active this month, we will take profit when possible, on tighter names and to switch into new issuances.

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"><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>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 securities 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>
Interest rate risk	<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>
Liquidity risk	<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>
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>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 June 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.