

# Sun Life Malaysia Equity Income Fund

March 2025



## FUND OBJECTIVE

To provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

## 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 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	9.26 million units (28 March 2025)	Fund Size	RM15.33 million (28 March 2025)
Unit NAV	RM1.6566 (28 March 2025)	Target Fund	Principal Titans Income Plus Fund
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	50% FBM100 Index + 50% MSCI AC Asia ex-Japan Index	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
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>Comfortable with higher volatility</li> <li>Willing to take higher risk for potential higher gains</li> </ul>	Fund Management Charge	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Equity Income Fund</li> <li>Up to 1.5% per annum of fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad</li> </ul>

## ASSET ALLOCATION OF THE TARGET FUND

Collective Investment Schemes (CIS)	Fixed income securities	Liquid assets
Minimum 70% and up to 98% of Net Asset Value (NAV)	Up to 28% of NAV	Minimum 2% of NAV

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

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## SECTOR ALLOCATION OF THE TARGET FUND

Communication Services	13.26%
Industrials	12.54%
Energy	12.24%
Financials	10.79%
Information Technology	9.67%
Utilities	9.43%
Consumer Discretionary	7.93%
Real Estate	7.12%
Others	6.68%
Cash	10.34%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

CIMB Group Holdings Bhd (Malaysia)	7.02%
Tencent Holdings Ltd (Hong Kong)	5.81%
Dialog Group Bhd (Malaysia)	5.00%
E Ink Holdings Inc (Taiwan)	4.44%
Sunway Bhd (Malaysia)	4.14%
Tenaga Nasional Bhd (Malaysia)	4.03%
BYD Company Ltd (China)	3.75%
Dayang Enterprise Holdings Bhd (Malaysia)	3.13%
IJM Corp Bhd (Malaysia)	2.60%
Contemporary Amperex Technology (China)	2.37%
Total	42.29%

## PERFORMANCE RECORD

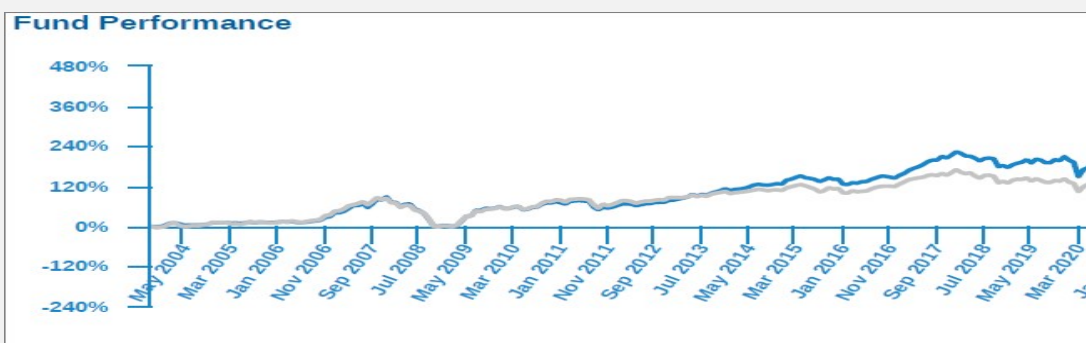
This fund feeds into Principal Titans Income Plus Fund ("target fund") with the objective to provide investors with an opportunity to gain consistent and stable income by investing in a diversified portfolio of dividend yielding equities and fixed income securities. The Fund may also provide moderate capital growth potential over the medium to long-term period.

Table below shows the investment returns of Sun Life Malaysia Equity Income Fund versus its benchmark as at 28 March 2025:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	-8.11	-1.96	-4.94	-4.74	0.18	45.37	65.66
<b>Benchmark</b>	-4.51	-2.06	-3.31	0.98	2.77	27.43	27.76

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

Graph below shows the historical performance of the underlying collective investment schemes (CIS) for calendar year returns:



Source: Lipper

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## FUND MANAGER'S COMMENTS

For the month, the fund declined 196bps (basis points) in MYR terms, underperforming the benchmark by 10bps. Year to date, the fund is underperforming the index by 360bps.

The KLCI was down 3.9% (-3.3% in USD terms) and underperformed MSCI ASEAN's +1% during the month. 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 (mainly Banks and Tenaga) 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.

Other key benchmarks: CPO down 3% to c.RM4,400/t, Brent up 2% ~US\$75/bbl. Ringgit strengthened 0.5% against the Dollar at RM4.4383, while the 10Y MGS yields fell 14bps to 3.7710.

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.

MSCI AC Asia Pacific ex Japan Index was slightly up in March, ending 1.32% higher. The index was held up by China, which returned 15.25% for the month, fueled by an AI related rally. Apart from the tech sector, the Chinese markets have not seen that strong of a move. Valuations for the Chinese markets as a whole remain relatively cheap. Korea was the next best performer, ending up 4.0% for the month. The worst performing markets were Taiwan and Indonesia. Indonesia has seen strong foreign outflows as investors worry about the new policy changes brought about by the new Prabowo government.

We have a positive view on Asian equities, given the attractive investment themes. We still like the tech sector as we see semiconductor investments continuing to grow into next year while expectations have been lowered. We will continue to diversify and position the portfolio in areas where they are likely to print strong earnings growth such as the semiconductor industry, beneficiaries of AI spend, and Korea value up program, rising consumer discretionary spend or rising capex. We have been taking some profits off from our China names as we see risk of disappointment in relation to stimulus going into 2025.

## RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

### Stock specific risk

Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the target fund's NAV.

### Credit and default risk

The target fund will be exposed to a certain degree of credit and default risk of issuers or counterparties when the target fund invests in debt securities, money market instruments and/or place deposits. Credit risk relates to the creditworthiness of the securities issuers or counterparties and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers or counterparties may impact the value as well as liquidity of the investments. In the case of rated debt securities, this may lead to a credit downgrade. Default risk relates to the risk that a securities issuer or counterparty either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investments. This could adversely affect the value of the target fund. We aim to mitigate this risk by performing bottom-up and top-down credit research and analysis to determine the creditworthiness of its issuers or counterparties, and impose investment limits on exposures for issuers or counterparties with different credit profiles as a precautionary step to limit any loss that may arise directly or indirectly as a result of a defaulted transaction.

### Interest rate risk

Interest rate risk refers to the impact of interest rate changes on the valuation of debt instruments and money market instruments. When interest rates rise, debt instruments and money market instruments prices generally decline and this may lower the market value of the target fund's investment in debt instruments and money market instruments. In managing the debt instruments, we take into account the coupon rate and time to maturity of the debt instruments with an aim to mitigate the interest rate risk. As for money market instruments, the typical tenor of these instruments are less than 12-month maturity and unlike debt instrument, any change to interest rate will only have a minor impact to the prices of these instruments.

### Country risk

Investments of the target fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the target fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the target fund in those affected countries. This in turn may cause the NAV of the target fund or price of units to fall.

## RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

### Currency risk

As the investments of the target fund may be denominated in currencies other than the base currency of the target fund, any fluctuation in the exchange rate between the base currency of the target fund and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency of the target fund, this will have an adverse effect on the NAV of the target fund in the base currency of the target fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

### Risk of investing in emerging markets

In comparison with investments in the developed markets, investment in emerging markets may involve a higher degree of risk due to the greater possibility of political or economic instability and societal tensions. Emerging markets are markets that are, by definition, "in a state of transition" and are therefore exposed to rapid political change and economic declines. The securities in the emerging markets may face a higher risk of price drop while the exchange rates in these emerging markets are generally more volatile than those of developed markets. As such, you should be aware that investments in emerging markets may subject to higher price volatility and therefore will tend to have a higher investment risk that will affect the target fund's growth. We attempt to mitigate these risks through active asset allocation management and diversification across different countries and sectors, in addition to our continuous bottom-up and top-down research and analysis.

### Risks associated with investment in warrants

There are inherent risks associated with investment in warrants. The value of warrants is influenced by the current market price of the underlying security, the exercise price of the contract, the time to expiration of the contract and the estimate of the future volatility of the underlying security's price over the life of the contract. Generally, the erosion in value of warrants accelerates as it approaches its expiry date. Like securities, we will undertake fundamental research and analysis on these instruments with an aim to mitigate its risks.

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.