

FUND OBJECTIVE

The objective of the Fund is to grow the value of Unit Holders' investments over the medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to the Malaysian equities market to balance any short-term volatilities.

FUND DETAILS

Launch Date	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	21.47 million units (29 May 2020)	Fund Size	RM36.39 million (29 May 2020)
Unit NAV	RM1.6947 (29 May 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Global Titans Fund
Benchmark	42% S&P500 + 36% MSCI Europe + 12% MSCI Japan + 10% CIMB Bank 1-month Fixed Deposit Rate	Taxation	8% of annual investment income
Risk Profile	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 Comfortable with higher volatility Willing to take higher risk for potential higher gains 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Titans Fund. Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Equities (Foreign)	Mutual Fund	Cash
62.04%	26.34%	11.62%

SECTOR ALLOCATION OF THE TARGET FUND

SPDRS&P 500 ETF	36.60%
IShares Core MSCI Euro ETF EUR Dist	17.25%
Principal GLB – EUR EQ-INS ACC	9.71%
TOPIX ETF	8.81%
JPM Europe Strategic Growth Fd	7.08%
Legg Mason GLB -US Large Cap	6.78%
JPM Japan Yen Fund	3.03%
Cash	10.74%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Amazon.com Inc	8.52%
Microsoft Corp	5.53%
Alphabet Inc.	5.36%
Facebook Inc	4.51%
Visa Inc	4.49%
Toyota Motor Corp	3.30%
Nestle S.A.	2.17%
Sony Corporation	1.90%
Roche Holding AG	1.82%
Keyence Corporation	1.78%
Total	39.38%

PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund (“target fund”) with the objective to achieve medium to long-term capital gains by investing into the US, Europe and Japan equities while having some Malaysia equities exposure to counter the short-term volatility in the global equities markets.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 29 May 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-0.96	5.22	-0.65	9.77	13.46	39.45	69.47
Benchmark	-3.69	5.35	-2.74	7.80	13.57	43.78	70.05

* 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

The Fund (Class MYR) increased by 5.22% during the month of May 2020, underperforming the benchmark by 13 basis points (bps). Year-to-date, the Fund declined by 96bps, outperforming the benchmark by 273 bps.

Developed markets continued to rise in May as major European countries, majority of the US states and Japan lifted lockdown measures to allow businesses to resume operation. At the same time, US daily new infections are fluctuating around 20k vs. the peak of 35k in contrast to the significant drop of new infections in major European countries and Japan. MSCI US, Europe and Japan increased by 5.2%, 4.6% and 5.9% MTD. Dollar weakened by 0.7%. Euro appreciated by 1.3% and Japanese Yen depreciated by 0.6% against the dollar.

US labor market reported with a surprise addition of 2.54 million non-farm payroll jobs in May. This brings unemployment rate down to 13.3% from 14.7%, much better than market expectation. We think the improvement in US labor market could be a positive sign of faster economic recovery. Some states in US (Florida, Texas and Michigan) are still experiencing rising new infections in the past two weeks. The second wave of infections could arise as economies further reopen and fall/winter season is coming, but so far there is no major surging in hospitalization rate as hospitals are better prepared and contact tracing is implemented. We are seeing slight improvement in manufacturing PMIs and less negative earnings downgrades across US, Europe and Japan even though PMIs are still deep in contraction. There are growing geopolitical risks as US presidential election is upcoming and US-China trade relations could deteriorate. However, we expected trade issues to recede as a headline risk as we enter 4Q20 and 2021. Both P/B-ROE and Midcycle P/E valuation indicate US equity is trading at expensive level.

We think developed markets PMIs would likely accelerate rapidly over 2Q-3Q 2020 as countries and states further easing restrictions. The recent drop in US unemployment rate could suggest a faster economic recovery. Economic recovery in European countries may be helped by the proposed EU recovery fund. In addition, central banks' aggressive monetary easing would be another support for equity markets. However, we also acknowledge there are short-term risks from expensive valuations and geopolitical risks uncertainty. Therefore, we raise the allocation to neutral for US, Europe and Japan.

Source : *Principal Asset Management Bhd*
Date : *29 May 2020*

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.