

Sun Life Malaysia

Islamic Global Sustainable Fund

September 2023



FUND OBJECTIVE

To achieve long-term capital growth.

FUND DETAILS

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|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launch Date | 01 June 2022 | Domicile | Malaysia |
| Currency | Ringgit Malaysia | Launch Price | RM1.0000 |
| Units in Circulation | 1.51 million units (29 September 2023) | Fund Size | RM1.75 million (29 September 2023) |
| Unit NAV | RM1.1650 (29 September 2023) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | Nomura Asset Management Malaysia Sdn Bhd | Target Fund | Nomura Global Shariah Sustainable Equity Fund - MYR Class A |
| Benchmark | Dow Jones Islamic Market Developed Markets Index | Taxation | 8% of annual investment income |
| Risk Profile | <p>Suitable for investors:</p> <ul style="list-style-type: none"> are seeking long term capital growth; want a portfolio of Shariah compliant investments that provides positive impact on the sustainable development of society; want to have portfolio with global exposure; and are prepared to accept moderate level of volatility. | Fees | <ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Global Sustainable Fund. Up to 1.6% p.a. fund management charge is applied on the target fund's NAV by Nomura Asset Management Malaysia Sdn Bhd. |

ASSET ALLOCATION OF THE TARGET FUND

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|-------------|-----------------|
| Equity Fund | Cash and Others |
| 95.24% | 4.76% |

SECTOR ALLOCATION OF THE TARGET FUND

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|------------------------|--------|
| Information Technology | 29.68% |
| Health Care | 24.65% |
| Industrials | 17.76% |
| Financials | 10.23% |
| Communication Services | 4.55% |
| Consumer Discretionary | 3.47% |
| Materials | 1.83% |
| Consumer Staples | 1.82% |
| Utilities | 1.24% |
| Cash & Others | 4.77% |

TOP HOLDINGS OF THE TARGET FUND

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|------------------------------|-------|
| Microsoft Corp | 6.39% |
| Alphabet Inc-Class A | 4.55% |
| Boston Scientific Corp | 4.16% |
| Johnson Controls Internation | 4.14% |
| Visa Inc-Class A Shares | 4.09% |

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PERFORMANCE RECORD

This fund feeds into Nomura Global Shariah Sustainable Equity Fund - MYR Class A ("target fund") with the objective to achieve long-term capital growth.

Table below shows the investment returns of Sun Life Malaysia Islamic Global Sustainable Fund versus its benchmark as at 29 September 2023:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Years | Since Inception |
|------------------|-------|-------|-------|-------|--------|---------|-----------------|
| Fund* | 18.29 | -4.81 | -5.17 | 7.36 | 22.03 | N/A | 16.50 |
| Benchmark | 23.28 | -4.05 | -3.79 | 10.58 | 25.52 | N/A | 24.92 |

* 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

While European Central Bank surprised the market with its interest rate hike announcement, Federal Reserve and Bank of England has paused its rate hike to await for more inflationary signals. Nevertheless, market was digesting the implications of higher rates for longer. As bond yields climbed higher, global equity markets closed lower.

MYR Class A returned -4.81% underperforming the benchmark by 0.76%. The underperformance was attributed to selection in North America mainly due to Industrials and Information Technology sector. No exposure in Energy sector has contributed to the underperformance as crude oil price has continued to surge and attempt to break the \$100 level.

The top contributors to performance were AstraZeneca PLC and Gilead. AstraZeneca PLC reported that its TROPION-Breast01 study shows that its key pipeline asset Dato-DXd in metastatic breast cancer has a statistically significant and clinically meaningful improvement for the primary endpoint of progression free survival (PFS). This helps to ease the market concern around the confusion over the outcome of the Tropion-Lung01 trial earlier this year, when the phrase "clinically meaningful" wasn't used. Importantly, a positive trend was also observed on the co-primary endpoint of overall survival (OS). Gilead enjoys a positive read-through from GSK which upgraded 2021-2026 HIV sales CAGR to 6%-8%. Apple Inc was also one of the top contributors with its underweight position. The top detractors were Johnson Control, Thermo Fisher Scientific and Orsted. Johnson Control and Orsted sentiments continue to be sour post its respective earnings and news announcements. We think that the actions on Johnson Control share price is particular overdone.

RISKS

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

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| Returns not guaranteed | The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment returns, nor any assurance that the target fund's investment objective will be achieved. |
| Market risk | The value of an investment will decrease or increase due to changes in market factors i.e. economic, political or other events that impact large portions of the market. Market risk cannot be eliminated, hence the target fund's investment portfolio may be prone to changing market conditions that may result in uncertainties and fluctuations in the value of the underlying of the target fund's investment portfolio, causing the NAV or prices of units to fluctuate. |
| Inflation risk | This is the risk that your investment in the target fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the nominal value of the investment in monetary terms has increased. |
| Manager's risk | This risk refers to the day-to-day management of the target fund by Nomura which will impact the performance of the target fund. For example, investment decisions undertaken by Nomura as a result of incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weakness in operational process and systems may adversely affect the performance of the target fund. In order to mitigate this risk, the implementation of internal controls and a structured investment process and operational procedures has been put in place by Nomura. |
| Country risk | The investment of the target fund may be affected by risk specific to the country in which it invests in. Such risks include changes in the country's economic, social and political environment. The value of the assets of the target fund may also be affected by uncertainties such as currency repatriation restrictions or other developments in the law or regulations of the country in which the target fund invest in. |
| Reclassification of Shariah Compliance Status | Shariah-compliant securities and instruments held by the target fund are subject to periodic review by the SAC of the SC, SAC of BNM, the Shariah boards of the relevant Islamic indices or the Shariah Adviser. These securities may be reclassified as non-compliant during such reviews and the target fund may need to take the necessary steps to dispose of such security or instrument, upon the advice of the Shariah Adviser. Consequently, the target fund may realise some losses in the disposal of the same or there may be opportunity loss for the target fund as the target fund may not be permitted to retain excess capital gains derived from such disposal. |

RISKS (CONTINUED)

Currency Risk

As the Base Currency is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are also exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than Classes denominated in USD) will affect the Unit Holder's investments in those Classes (other than Classes denominated in USD). The impact of the exchange rate movement between the Base Currency and the currency denomination of the Class (other than Classes denominated in USD) may result in a depreciation of the Unit Holder's holdings as expressed in the Base Currency.

In order to manage currency risk, Nomura may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the target fund's investments and/or the Classes not denominated in USD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged but it does not entirely eliminate currency risk between the Class and the Base Currency. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging will be borne by the hedged class and may affect returns of the hedged class.

Default Risk

Default risk relates to the risk that an issuer of a money market instrument either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the money market instruments. If the financial institution which the target fund places deposits with defaults in payment or become insolvent, the target fund may also suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the target fund to be adversely affected. This could affect the value of the target fund as up to 20% of the NAV of the target fund will be invested in Islamic deposits, Islamic money market instruments and/or held in cash.

Source : Nomura Asset Management Malaysia Sdn Bhd

Date : 29 September 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 contributions 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.