

Sun Life Malaysia Global Sustainable Fund

April 2022



FUND OBJECTIVE

To achieve long term capital growth through investment in a relatively concentrated, actively managed portfolio of global equity securities issued by companies with a high overall positive impact on society.

FUND DETAILS

Launch Date	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	10.95 million units (29 April 2022)	Fund Size	RM10.51 million (29 April 2022)
Unit NAV	RM0.9597 (29 April 2022)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Target Fund	Nomura Global Sustainable Equity Fund
Benchmark	MSCI All Country World Index	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none">▪ are seeking long term capital growth;▪ want a portfolio of investments that provides positive impact on the sustainable development of society;▪ want to have portfolio with global exposure; or▪ 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 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

Equity Fund	Cash and Others
97.66%	2.34%

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SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	27.34%
Information Technology	25.21%
Industrials	12.47%
Financials	11.48%
Utilities	7.63%
Communication Services	6.26%
Materials	4.58%
Consumer Staples	4.38%
Cash	0.65%

TOP HOLDINGS OF THE TARGET FUND	
Novo Nordisk A/S Class B	4.35%
Mastercard Incorporated Class A	3.95%
Johnson Controls International plc	3.93%
Thermo Fisher Scientific Inc.	3.81%
Microsoft Corporation	3.53%

PERFORMANCE RECORD

This fund feeds into Nomura Global Sustainable Equity Fund ("target fund") with the objective to achieve long-term capital growth through investment in a relatively concentrated, actively managed portfolio of global equity securities issued by companies with a high overall positive impact on society.

Table below shows the investment returns of Sun Life Malaysia Global Sustainable Fund versus its benchmark as at 29 April 2022:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	-6.63	-2.31	-2.15	-3.81	N/A	N/A	-4.03
Benchmark	-9.50	-4.88	-5.22	-7.79	N/A	N/A	-4.86

* 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

Markets sold off very sharply over the month, led by Growth (MSCI ACWI Growth underperformed Value by over 6%), with long term interest rates once again rising sharply as concerns over inflation are forcing central banks to consider more aggressive action. Sector allocation contributed positively as the Target Fund benefitted from being overweight Healthcare and underweight Consumer Discretionary though this was to some degree offset by continued strength within Energy. Stock selection was however the primary driver of outperformance and was very strong in both Technology and Healthcare. The Target Fund marked its third anniversary on April 15th and has achieved first quartile performance over the periods 1, 3 and 6 month returns, YTD return as well as 1 and 3 years return relative to the Morningstar Global Blend peer group (source: Morningstar direct, 30/04/2022).

Impact Focus: The Target Fund Manager has recently published a white paper on the bias of sustainable and impact funds to 'Growth' and the implication this has had to performance-most notably huge underperformance in the recent period of 'Growth' weakness. The Target Fund is a compelling proposition for those investors seeking a more sustainable approach without being forced to take a bet on 'Growth' or compromise on valuation discipline and avoid taking on exposure themselves to sharp reversals in style performance. This highly differentiated exposure has been driven by the Target Fund Manager's rigorous approach to 'Valuation' and 'Quality', and differentiated, impact-aware, approach to defining what makes a 'sustainable' investment. To find out more please see the Target Fund Manager's white paper published here: <https://www.nomura-asset.co.uk/download/news/Sustainable-Fund-Growth-Performance-March-2022.pdf>.

Top contributors were Novo Nordisk (+3%) and Mastercard (+2%). The greatest contributor to performance was however not holding Amazon (-24%). Novo Nordisk benefitted in part from a flight to safety over the month and also reported strong earnings once again raising guidance, whilst Mastercard also surprised markets with a stronger than expected recovery in cross border travel. NextEra Energy -16% and PayPal -24% were the greatest detractors. Both are higher growth holdings which are sensitive to rising interest rates and the former has further been impacted by the uncertainty caused by a Department of Commerce investigation in to whether Asian solar panels products are circumventing tariffs, which will push out the growth of NextEra's solar pipeline. The market has continued to grow ever more frustrated by PayPal's muddled and changing business strategy, which has completely destroyed any credibility in management. The Target Fund Manager took the decision to fully exit the position over the month.

RISKS

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

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, e.g. investment decisions undertaken by Nomura as a result of an 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.
Concentration risk	As the target fund invests at least 80% of its NAV in the master fund, it is subject to concentration risk as the performance of the target fund would be dependent on the performance of the master fund.
Country risk	The investment of the target fund may be affected by risk specific to the country 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 which the target fund invests in, i.e. Ireland, the domicile country of the master fund.

RISKS (CONTINUED)

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. This could affect the value of the target fund as up to 20% of the NAV of the target fund will be invested in liquid assets which include but are not limited to deposits and money market instruments.
Investment manager of the master fund risk	<p>The target fund will invest in the master fund managed by a foreign asset management company. This risk refers to the risk associated with the investment manager, which include:</p> <ul style="list-style-type: none">i) The risk of non-adherence to the investment objective, strategy and policies of the master fund;ii) The risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the investment manager; andiii) The risk that the master fund may underperform its benchmark due to poor investment decisions by the investment manager.

Source : Nomura Asset Management Malaysia Sdn Bhd
Date : 29 April 2022

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. 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.