Sun Life Malaysia
Global Sustainable Fund
March 2023

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	9.91 million units (31 March 2023)	Fund Size	RM9.41 million (31 March 2023)
Unit NAV	RM0.9489 (31 March 2023)	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: ▪ 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	▪ 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
99.20%	0.80%

Sun Life Malaysia
Global Sustainable Fund
March 2023

SECTOR ALLOCATION OF THE TARGET FUND	
Information Technology	28.35%
Health Care	25.27%
Industrials	16.65%
Financials	10.37%
Utilities	7.43%
Communication Services	3.97%
Consumer Staples	3.64%
Materials	3.27%
Cash & Others	1.05%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND	
Thermo Fisher Scientific Inc.	4.21%
Mastercard Incorporated Class A	4.09%
Microsoft Corporation	4.03%
NextEra Energy, Inc.	3.86%
Johnson Controls International plc	3.71%

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 31 March 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	5.36	1.63	5.36	10.80	-3.41	N/A	-5.11
Benchmark	7.02	1.10	7.02	11.22	-4.62	N/A	-4.59

** 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.

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 sunlifemalaysia.com

FUND MANAGER'S COMMENTS

March was characterised by unprecedented moves in the banking sector following the collapse of several regional banks in the US and later in the month the collapse of Credit Suisse and emergency rescue by UBS. The events posed questions on the Central Banks next steps with Federal Reserve's terminal rate moving from 5.42% down to 4.96%. Selection effect over the period contributed significantly to performance, coming predominantly from Financials, while allocation effect was negative.

Impact focus of the month: During the month, the team initiated an engagement project across portfolio holdings to promote access to obesity medications and treatment of the condition. This project is closely aligned with one of the strategy's impact goals - Mitigate the Obesity Epidemic. As a first step, the team started distributing a questionnaire to all the holdings with sizable presence in the US. The main purpose of this study is to get an understanding of investee companies' health care plans in relation to obesity treatments coverage, weight loss programs and others.

Top contributors to performance were Adobe (+19%) and Alphabet (+15.2%). Adobe shares rebounded in March from a drop in previous month. In February, Adobe shares fell on reports that the US Department of Justice was ready to file an antitrust lawsuit to block Adobe's acquisition of Figma. In March, Adobe reported good quarterly results and raised full year guidance, which assured investors that they can achieve high growth with or without Figma. Alphabet outperformed during the month from a sell-off in February caused by their Bard generative AI event that contained factual errors in demos. In March, they released a light version of Bard to the public and in Target Fund Manager's opinion, the market became comfortable that Bard's eventual inclusion into Google search will be able to prevent Bing - ChatGPT from taking market share in search.

Top detractors were CVS Health (-11%) and Safaricom (-23.3%). The main reason for Safaricom's underperformance over the period is investors reducing positions due to the Kenyan Shilling crisis. Kenya's FX reserves are now down to 3.6 months of import cover, which is lower than the 4 months minimum cover policy of the East Africa Community (EAC) of which Kenya is a member. This has led to a liquidity crisis and foreign investors have taken the decision to exit Kenya until the situation improves. Whilst the Target Fund Manager continue to believe that Safaricom is bringing Kenyans into the digital economy daily, the Target Fund Manager has reduced their position to lower the risk related to the currency situation. CVS Health suffered from the broader sell-off within healthcare. The shares also underperformed other managed care names as the business reset EPS guidance lower for 2023/2024 after announcing the acquisition of Oak Street Health, which will be dilutive in the near-term. The Target Fund Manager think the strategy to move into value-based care is sensible long-term and that the shares are undervalued at this point.

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	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: 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; and iii) 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 : 31 March 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 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.