

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.

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	33.68 million units (30 September 2024)	Fund Size	RM83.54 million (30 September 2024)
Unit NAV	RM2.4805 (30 September 2024)	Target Fund	Principal Global Titans Fund- Class MYR
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	42% S&P500 + 36% MSCI Europe + 12% MSCI Japan + 10% CIMB Bank 1-Month Fixed Deposit Rate	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"> 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 	Fund Management Charge	<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

Collective Investment Schemes	Equities	Cash
Minimum 50% and up to 98% of Net Asset Value (NAV)	Up to 50% of NAV	The remaining balance of funds NAV

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	87.81%
Information Technology	6.04%
Industrials	1.45%
Utilities	1.04%
	3.66%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	32.74%
iShares Core MSCI Europe ETF (Europe)	23.20%
JP Morgan Europe REI ESG UCITS (Europe)	8.34%
Principal GLB - EUR EQ-INS ACC (Europe)	7.71%
JPMorgan Japan Yen Fund (Japan)	6.15%
iShares US Equity Factor RotationActive ETF (United States)	4.85%
FTGF ClearBridge - US Large Cap (United States)	4.74%
JP Morgan US REI Equity ESG (United States)	4.55%
JPMorgan US Growth Fund (Europe)	4.18%
JPMorgan Funds - US Growth Fund (United States)	3.54%
Total	100.00%

PERFORMANCE RECORD

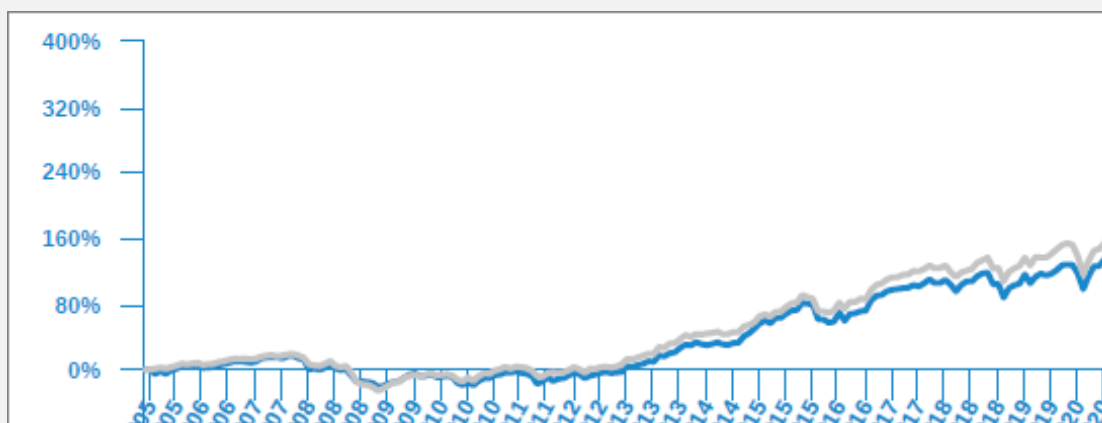
This fund feeds into Principal Global Titans Fund - Class MYR ("target fund") with the objective to achieve medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to Malaysian equities market to balance any short term volatilities.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 30 September 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	3.77	-3.21	-6.64	10.25	15.17	52.34	148.05
Benchmark	4.55	-3.23	-5.38	12.54	23.24	63.84	173.99

* 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

FUND MANAGER'S COMMENTS

The Fund declined by 3.21% in September, underperforming the benchmark by 8bps. YTD, the Fund is up 3.77%, underperforming the benchmark by 78bps.

September was eventful, with the Fed delivering a 50bps rate cut, lowering rates from a more than two-decade high, while the ECB implemented its second rate cut of the year. The Fed remains confident that inflation is trending towards its 2% target, though it remains cautious about rising unemployment, maintaining a view that the economy is fundamentally strong. Meanwhile, Japan's ruling LDP held its presidential election, appointing Shigeru Ishiba as the new Prime Minister, whose past hawkish comment on monetary policy raised market concerns. In local currency terms, the S&P 500 and MSCI Europe increased by 2% and 0.48%, respectively, while MSCI Japan declined by 1.53%. The Dollar Index fell by 0.9%, with the Euro and Japanese Yen strengthening by 0.9% and 1.6%. After bottoming at 3.6%, the 10-year Treasury yield rose to 3.969% at the time of writing.

US headline inflation moderated to 2.5% in August, while core inflation held steady at 3.2%. Despite some softening, the US economy remains broadly resilient, with final Q2 2024 GDP growth coming in at 3%. Retail sales rose by 0.1%, defying expectations of a 0.2% decline. The ISM Manufacturing PMI remained weak at 47.2, while the Services PMI continued to expand to 54.9. The labor market showed strength, with non-farm payrolls exceeding expectations, partly due to seasonal adjustments. The unemployment rate continued to ease to 4.1% in September (from 4.2% in August). The average hourly earnings remained robust (+4% yoy in Sep), surpassing consensus forecasts. The Euro Area economic growth expanded by 0.2% QoQ in Q2, though there were discrepancies among different economies: the German economy contracted by 0.1% while the French economy expanded by 0.2% QoQ. Euro Area inflation continued to moderate to 1.8% in August, below consensus estimate. Europe's manufacturing PMI remains in contraction, while the services PMI expanded to 51.4. Japan's Manufacturing PMI edged up slightly from the previous month, though it remains in contraction territory, while the services PMI stayed in expansion. The economy grew by 2.9% YoY in Q2, driven by growth in capital expenditure and private consumption. Inflation rose to 3% in August, above BOJ's 2% target. Wage growth also continued to be strong. The resilient economic situation and strong wage growth support BOJ's plan to continue increase interest rates. Forward 12-month corporate earnings have been revised up for US and Japan, while remained flat for Europe.

Strategy: Overweight US & Japan, Underweight Europe. US growth is softening but resilient middle/high-income households and robust large business confidence are helping to offset weakness from lower-income households and small business. Overall strong household and corporate balance sheets should help prevent the economic slowdown from turning into a hard landing. The resilience of the US economy is expected to support the broadening out of risk appetite and earnings expansion across companies and sectors with more reasonable valuations. Combined with rate cuts later this year, this creates a constructive backdrop for risk assets.

Despite incremental positive economic surprises in Europe, both economic and earnings growth expectations fall short of those in the US. The US economic dominance remains intact, as Europe's recovery faces limited upside due to weak credit demand and fading economic momentum. Europe is vulnerable to risks from increased trade tariffs and geopolitical tensions with the upcoming US election. In Japan, the fundamental themes of deflation and ongoing corporate governance reforms remain intact. We maintain the view that policy normalization in Japan will be gradual, with monetary policy remaining accommodative as real interest rates stay negative, barring a hard landing in the US economy.

RISKS

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

Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.
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.
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. 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 prices of units to fall.
Currency risk	As the investments of the target fund may be denominated in currencies other than base currency, any fluctuation in the exchange rate between the base currency 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, this will have an adverse effect on the NAV 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.
Fund manager's risk	Since the target fund invests into collective investment scheme managed by another manager, the fund manager has absolute discretion over the fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the fund and/or the management company, the NAV of the target fund, which invests into the fund would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, Principal (S) will seek for an alternative collective investment scheme that is consistent with the objective of the target fund.

RISKS (CONTINUED)

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

Credit and default risk

Investments of the target fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. Principal (S) aims to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.

Source : *Principal Asset Management Bhd*

Date : *30 September 2024*

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.