

### 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	36.53million units (30 December 2022)	Fund Size	RM71.90 million (30 December 2022)
Unit NAV	RM1.9683 (30 December 2022)	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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Have a medium to long term investment horizon</li> <li>Target capital appreciation</li> <li>Do not require regular income</li> <li>Comfortable with higher volatility</li> <li>Willing to take higher risk for potential higher gains</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Titans Fund.</li> <li>Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Collective Investments	Cash
95.04%	4.96%

SECTOR ALLOCATION OF THE TARGET FUND	
SPDR S&P 500 ETF Trust	38.27%
IShares Core MSCI Europe ETF EUR Dist	31.26%
TOPIX ETF	9.11%
JP Morgan Europe Strategic Growth Fund	4.53%
Principal GIF – European Responsible Equity Fund	3.79%
JP Morgan Japan Yen Fund	2.96%
Others	2.50%
SPDR S&P Metals & Mining ETF	1.48%
Energy Select Sector SPDR	1.14%
Cash	4.96%
<b>Total</b>	<b>100.00%</b>

TOP HOLDINGS OF THE TARGET FUND	
Apple Inc (United States)	2.41%
Microsoft Corp (United States)	2.24%
Nestle SA (Switzerland)	1.56%
Alphabet Inc (United States)	1.21%
Novo Nordisk A/S (Denmark)	1.16%
Roche Holding Ltd (Switzerland)	1.11%
ASML Holding NV (Netherlands)	1.10%
AstraZeneca PLC (United Kingdom)	1.06%
LVMH (France)	1.01%
Amazon.com Inc (United States)	0.92%
<b>Total</b>	<b>13.78%</b>

## PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund (“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 December 2022:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	-13.20	-3.46	2.97	-13.20	15.03	27.84	96.83
<b>Benchmark</b>	-10.71	-3.24	4.03	-10.71	18.79	34.92	109.62

\* 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 declined by -3.46% in MYR terms in December, underperforming the benchmark by 22 bps. YTD, the Fund is down -13.20%, underperforming the benchmark by 249 bps.

Developed markets corrected in December on recession fears with S&P 500 Index, MSCI Europe and MSCI Japan declined by 5.8%, 3.5% and 5.2% in local currency terms. As USCPI is easing from the peak, the Fed is planning to slow the pace of rate hikes. The US Dollar weakened by 2.3% in December accordingly. Euro appreciated by 2.9% and the Japanese Yen appreciated by 5% as BOJ widened the target band for 10y bond yield from +/- 25 bps to +/- 50 bps. As expected, the Fed delivered 50bps rate hike and indicated they will continue to raise interest rates to meet the 2% inflation target. ECB also delivered a 50 bps rate hike.

We are reducing allocation to US as we start to see earnings downgrades in US. So far, S&P 500 earnings are mainly supported by the Energy sector. We are adding exposure to metals & mining sector as we expect they will benefit from China reopening. We bring Europe to OW as economic data surprised to the upside. Gas and oil prices are falling from record high levels and a fuller storage means it's less likely for Europe to run out of energy supply in this winter. In addition, manufacturing activities are likely to be supported by fiscal policies. With valuation at very cheap level and earnings downgrades already happened, we are increasing allocation to Europe. For Japan, we maintain a neutral allocation. With US inflation likely to peak and so is Fed's rate hiking cycle, we expect Japanese yen could stop depreciating and therefore, we have exited the currency hedged Japan ETF.

As we move to 2023, developed markets equities may be volatile in the near-term due to recessionary concerns and corporate earnings downgrades. Our proprietary recession indicator currently shows recession could start as early as 1H2023. Our underlying funds have focused on quality companies with growth and earnings visibility, at reasonable valuation and we believe these companies could start to outperform in economic downturn.

## RISKS

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

<b>Market risk</b>	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.
<b>Stock specific risk</b>	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.
<b>Country risk</b>	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.
<b>Currency risk</b>	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.
<b>Fund manager's risk</b>	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 December 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.