

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	20.17 million units (28 February 2020)	Fund Size	RM32.97 million (28 February 2020)
Unit NAV	RM1.6347 (28 February 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB 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	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 	Fees	<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

Mutual Fund	Cash
92.13%	7.87%

SECTOR ALLOCATION OF THE TARGET FUND

Legg Mason Global Funds - US Large Cap	34.74%
Schroder – ISF Euro Equity USD - A	26.80%
Schroder – ISF Japanese Opps USD A Acc	11.65%
Principal GLB – EUR EQ-INS Acc	10.16%
Schroder -ISF US Large Cap A Acc	8.78%
Cash	7.87%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Amazon.com Inc	6.70%
Alphabet Inc.	4.96%
Visa Inc	4.46%
Itochu	4.40%
Microsoft Corp	4.34%
Orix	4.30%
Facebook Inc	3.91%
C Uyemura	3.90%
Sumitomo Mitsui Financial Group	3.60%
Carrefour SA	3.57%
Total	44.14%

PERFORMANCE RECORD

This fund feeds into CIMB Principal Global Titans Fund (“target fund”) with the objective to achieve medium to long-term capital gains by investing into the US, Europe and Japan equities while having some Malaysia equities exposure to counter the short-term volatility in the global equities markets.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 28 February 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-4.46	-4.27	1.35	7.11	12.07	39.97	63.47
Benchmark	-6.48	-5.60	0.50	6.48	13.24	43.72	65.11

* 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 (Class MYR) declined by 4.27% during the month of February 2020, outperforming the benchmark by 133 basis points (bps). Year-to-date, the Fund declined by 4.46%, outperforming the benchmark by 202 bps.

Concerns over the outbreak of Covid-19 on economic slowdown has caused all developed markets to fall in February. MSCI US, Europe and Japan dropped by 8.15%, 9.13% and 9.36%, respectively. While the number of new confirmed cases decreased in China, there were outbreaks in South Korea, Italy and Iran with rising number of new infections seen in Europe, US and Japan. On March 03, the Federal Reserve delivered an emergency cut of 50 bps to support economy against the impacts from the coronavirus.

The latest manufacturing PMI shows US economy is the strongest among all developed markets. Although lower than the previous month, US manufacturing PMI stayed above 50. On the other hand, Europe and Japan PMIs were in the contraction territory with Japan PMI lower than the previous month. US labor markets remains strong with private payrolls rising higher than expected and a lower number of people filing for unemployment benefits. All developed markets' earnings forecasts are revised down due to the adverse impacts by the virus including disrupted supply chain and travels. Europe EPS forecast is downgraded by 1.3%. Japan EPS forecast is revised down by 0.5%. US earnings are cut by 0.3%. Valuation has become more favorable for US and Europe.

Stock markets are expected to face heightened volatility as it is currently unclear how severe the Covid-19 outbreak will be in the US and Europe, and whether the affected countries would be able to enact policies to effectively contain the outbreak. Should the US situation deteriorate and economic activity see significant negative impact, earnings for developed markets' companies would have to be further adjusted downwards. Our current assumption is that the viral outbreak in the developed world would be contained, with new confirmed cases peaking in a matter of months. With inflation subdued, the Fed would likely lower interest rates further in the coming months to pre-empt any economic slowdown. We are slightly overweight US because of relatively better economic conditions and improving valuation. We are underweight Europe and Japan because of persistent weak economic momentum and earnings deterioration.

Source : *Principal Asset Management Bhd*

Date : *28 February 2020*

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.