

Sun Life Malaysia Global Sustainable Fund

March 2024



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	8.00 million units (29 March 2024)	Fund Size	RM9.41 million (29 March 2024)
Unit NAV	RM1.1757 (29 March 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
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
99.08%	0.92%

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SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	27.69%
Financials	21.07%
Information Technology	20.27%
Industrials	18.77%
Utilities	5.69%
Communication Services	3.07%
Materials	1.26%
Cash & Others	2.18%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	5.24%
Mastercard Incorporated Class A	4.38%
Novo Nordisk A/S Class B	4.35%
Johnson Controls International plc	4.26%
ASML Holding NV	4.25%

PERFORMANCE RECORD

This fund feeds into Nomura Global Sustainable Equity Fund - MYR Class B ("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 March 2024:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	10.48	2.78	10.48	17.10	23.90	N/A	17.57
Benchmark	11.02	2.66	11.02	20.26	29.96	N/A	23.99

* 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 returned +2.78% in March outperforming MSCI ACWI by +0.12%, in another strong month for equity markets despite hotter than expected inflation and jobs data pushing back expectations for rate cuts. Allocation was neutral over the period whilst selection was strong in primarily Healthcare but also Industrials although this was somewhat offset by weak selection across Financials.

The top contributors to performance were TSMC (+12%) and NextEra Energy (+16%), in addition to not holding Apple (-5%). TSMC benefitted from the continued positive sentiment around artificial intelligence (AI); NVIDIA is currently outsourcing all of their AI chip manufacturing to TSMC and therefore, TSMC is seeing benefit from the extraordinary demand for NVIDIA's AI chips. For NextEra Energy the announcement that the Federal Election Commission had closed its case looking into certain contributions in relation to its Florida Power & Light (FPL) division removed a risk overhang for the stock whilst the renewables business hosted a very positive renewables day for investors further underlining just how far ahead the company is versus peers. The greatest detractors were AIA (-17%) and Adobe (-10%), in addition to not holding NVIDIA which rose a further +14%. It is the team's view that the extreme underperformance in AIA is in part a reflection of a final capitulation on higher quality China exposed names with the entire peer group being sold relentlessly. Results were modestly disappointing and do not support a pushing back against the narrative of weakening returns in its key markets however there are clear green shoots with regards to the rebound in NBV margins and a relatively clear pathway to returning growth. Adobe reported results that were ahead of expectations, but some investors were disappointed by their outlook and the pushing back of expectations for when the benefits of generative AI will start to flow through into earnings. Adobe is including their generative AI model called Firefly into their suite of editing tools and raising the price for the software packages, however investors want Adobe to be more aggressive in charging for Firefly in order to increase revenue growth.

Impact Focus of the Month:

The team has initiated a new position in Iberdrola, a multinational integrated electric utility and one of the global leaders in renewable energy with 42GW of capacity. Iberdrola is one of the highest quality European utility companies with a very strong approach to sustainability and has considerable upside to valuation based on our modelling. The position is strongly aligned with the team's Mitigate Climate Change goal as a key enabler of the energy transition both as a major renewables developer, as well as through operating networks and adapting those for clean energy. The significant geographical presence supports the group's impact case as they operate and deploy renewables in emerging and developing countries. The impact metrics tracked by the team are avoided CO₂ emissions (Scope 4 emissions) and renewables installed capacity (GW).

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 March 2024

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.