

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	33.62 million units (31 December 2024)	Fund Size	RM88.53 million (31 December 2024)
Unit NAV	RM2.6329 (31 December 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	82.19%
Information Technology	6.88%
Industrials	1.48%
Consumer Discretionary	1.07%
Financials	0.82%
Cash	7.56%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	22.27%
iShares Core MSCI Europe ETF (Europe)	14.96%
iShares US Equity Factor RotationActive ETF (United States)	6.37%
JP Morgan Europe REI ESG UCITS ETF (Europe)	5.57%
Principal GLB - EUR EQ-INS ACC (Europe)	5.33%
FTGF ClearBridge - US Large Cap (United States)	4.36%
JPMorgan US Growth Fund (United States)	3.56%
JPMorgan Europe Strategic Growth Fund (Europe)	3.29%
NEXT FUNDS TOPIX Banks ETF (Japan)	3.27%
JP Morgan US REI Equity ESG UCITS ETF (United States)	3.05%
Total	72.03%

PERFORMANCE RECORD

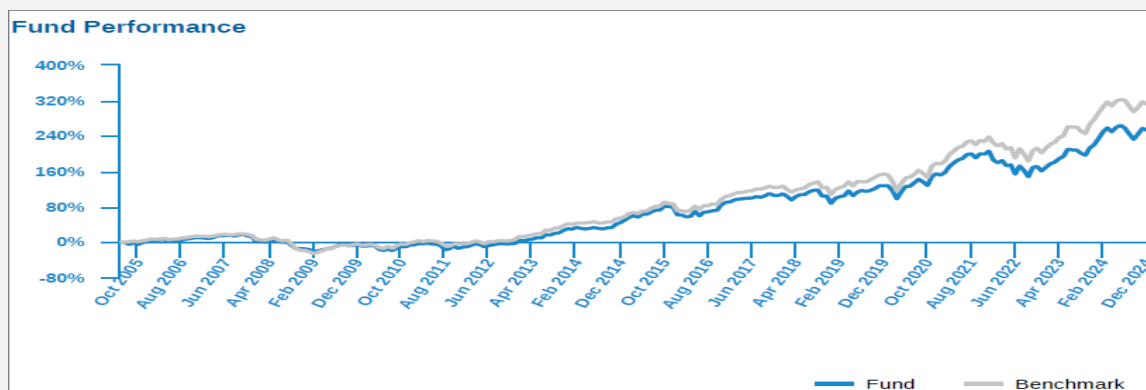
This fund feeds into Principal Global Titans Fund - Class MYR ("target fund") with the objective to achieve medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to Malaysian equities market to balance any short term volatilities.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 31 December 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	10.14	-1.13	-2.47	10.14	16.11	53.87	163.29
Benchmark	9.04	-1.41	-2.54	9.04	21.71	61.91	185.83

* 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 1.13% in December, outperforming the benchmark by 28bps. YTD, the Fund is up 10.14%, underperformed the benchmark by 110bps.

Market concerns centered on the potential impact of the new US administration's policies on inflation, the fiscal deficit, and global growth. Profit-taking led to a decline in major developed markets indices by the end of 2024: the S&P 500 fell 2.4%, MSCI Europe dropped 0.5%, while MSCI Japan rose 4.3%, all in local currency terms. The US Dollar strengthened by 2.6%, fueled by expectations of inflationary pressures from Trump's fiscal policies, potentially limiting future Fed rate cuts. The Euro weakened by 2.1%, driven by a weaker economic outlook and anticipated ECB rate cuts. The Japanese Yen depreciated 5%, following a dovish BOJ meeting signaling a delay in rate hikes until 1Q25 when BOJ has more evidence of wage growth sustainability. The US economy remained resilient, with the 10-year Treasury yield surging to 4.7% at the time of writing.

US headline inflation in November rose to 2.7% YoY, in line with expectations, while core inflation, excluding food and energy, held steady at 3.3% YoY. Retail sales increased by 0.7% MoM, surpassing forecasts and indicating strong consumer spending during the holiday season. Non-Farm Payrolls added 227k jobs in November, recovering from the negative effects of the Boeing strikes and Hurricane disruptions in the prior month. The unemployment rate edged up slightly to 4.2%, but the labor market remains resilient with robust wage growth. The ISM Manufacturing PMI showed a slight rebound, while the Services PMI advanced higher, signaling a resilient US economy overall. The Euro Area economic growth expanded by 0.4% QoQ in Q3 (initial estimate), indicating a recovery from the previous quarter. Euro Area inflation continued to increase to 2.4% in December (2.2% YoY in November), in line with consensus forecast. Europe's manufacturing PMI remains in contraction, while the services PMI moved to expansion zone. The ECB delivered another 25bps rate cut in the December meeting. Japan's Manufacturing PMI held steady in contraction, but the Tankan survey showed a more positive outlook in the manufacturing sector. The services PMI is at the borderline of expansion. Inflation continued to be strong, increasing to 2.9% in November, with core inflation (excluding food and energy) accelerating to 2.4%. Wage growth remained robust, with the Japanese Trade Union Confederation (RENGO) targeting at least 5% wage hikes for the 2025 spring wage negotiation. 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 Europe is seeing earnings downgrades.

Strategy: Slight Overweight US & Japan, Underweight Europe. The US economic dominance remains intact, supported by strong consumer spending and robust corporate balance sheets, in contrast to weakness in Europe and China. However, uncertainty around Trump administration policies on tariffs, immigration, tax cuts and deregulation may affect US inflation and the fiscal deficit. Combined with labor market resilience, this could challenge the disinflation trajectory of inflation falling to the Fed's 2% target and delay interest rate cuts. Ongoing inflation pressures and a growing fiscal deficit are likely to keep treasury yields elevated, posing risks to US equities at expensive valuations. Within US, attractive opportunities may arise in economically sensitive sectors, such as financials and small-mid-cap stocks. Europe faces economic challenges, and it's vulnerable to risks from increased trade tariffs and political/geopolitical tensions. 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, to support economic growth.

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 : *31 December 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.