

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	21.85 million units (30 June 2020)	Fund Size	RM37.14 million (30 June 2020)
Unit NAV	RM1.6996 (30 June 2020)	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	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
89.72%	10.28%

SECTOR ALLOCATION OF THE TARGET FUND

SPDRS&P 500 ETF	36.25%
IShares Core MSCI Euro ETF EUR Dist	17.51%
JPM Europe Strategic Growth Fd	9.40%
Principal GLB EUR EQ-INS ACC	9.31%
TOPIX ETF	8.58%
Legg Mason GLB - US Large Large Cap	5.11%
JPM Japan Yen Fund	3.56%
Cash	10.28%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Microsoft Corp	5.99%
Apple Inc.	5.12%
Amazon.com Inc	5.07%
Toyota Motor Corp	3.30%
Sony Corporation	2.00%
Softbank	1.90%
Facebook Inc	1.88%
Keyence Corporation	1.80%
Nippon Telegraph And Telephone Corporation	1.50%
Alphabet Inc.	1.47%
Total	30.03%

PERFORMANCE RECORD

This fund feeds into 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 30 June 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
Fund*	-0.67	0.29	-0.67	6.26	13.48	39.67	69.96
Benchmark	-2.79	0.94	-2.79	4.16	14.37	44.54	71.65

* 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) increased by 29bps during the month of June 2020, underperforming the benchmark by 65 basis points (bps). Year-to-date, the Fund declined by 67bps, outperforming the benchmark by 212 bps.

Developed markets ended stronger in June fueled by the optimism about economic recoveries. The US Dollar Index was weaker MTD with Euro appreciated and Japanese Yen flat. The COVID-19 situation was improving in Europe and Japan with daily new infections staying at low levels with economies reopening. However, in the US, daily new cases climbed to record high levels, which forced several states to roll back or pause some aggressive reopening plans.

Fundamentals are improving in developed economies. Economic activities are showing signs of a sharp rebound with US and Europe manufacturing PMIs bouncing back to levels slightly below 50. Moving to 3Q20, we expect global PMIs would likely to continue its rapid recovery. In addition, labor and consumer data is also improving. After a positive surprise in May non-farm payrolls, US labor market registered another 4.8 million job gains in June with the unemployment rate falling to 11.1%. Retail sales data released in June is also showing signs of a sharp rebound with US and UK retail sales rising by 17% and 12%. However, the employment rates in the US and most countries remain well below the levels considered to be full employment. US and Europe corporate earnings forecasts have been revised higher with Japan earnings cuts stabilizing. But earnings are still much below the pre-covid levels. There are growing geopolitical risks as US presidential election is upcoming and US-China trade relations could deteriorate. However, we expected trade issues to recede as a headline risk as we enter 4Q20 and 2021. A second wave of covid infections could arise, but this risk would be ameliorated by better awareness and preparedness.

We maintain our neutral equity allocation as developed economies continue to recover and PMIs likely to accelerate rapidly in 3Q. In addition, the market sentiment would be supported by the generous fiscal stimulus, aggressive monetary easing by central banks and record low interest rates. However, within equity we are Slight UW US because the concerns on the resurgence of COVID-19 infections and expensive valuations. We are Slight OW Europe because of corporate earnings recovery and favorable valuations. And we remain Neutral on Japan because of cheap valuation.

RISKS

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

<p>Market risk</p>	<p>Market risk is the risk of negative movement that affects the price of all assets in a particular capital market. The factors influencing the performance of the markets include:</p> <ul style="list-style-type: none"> • Economic and financial market conditions • Political change • Broad investor sentiment • Movements in interest rate and inflation • Currency risks <p>Stock values fluctuate in response to the activities and performance of individual companies and general market or economic conditions. Such movements in the underlying values of the share of the investment portfolio will cause the NAV or prices of units to fall as well as rise. Market risk is mitigated through careful selection of securities and diversification through spreading of risk across a basket of assets and/or sectors.</p>
<p>Security risk</p>	<p>Security risk applies to individual companies or securities. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market. The risk is mitigated by the fund manager's periodic research and analysis on all the underlying securities held by the fund.</p>
<p>Foreign Currency risk</p>	<p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investors should be aware that if the RM appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the NAV of the Fund and vice versa. Investors should note that any gains or losses arising from the movement of the foreign currencies against its home currency may therefore increase/decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The risk is mitigated through a combination of fund's exposure into the U.S, European, Japanese and Malaysia equities.</p>
<p>Credit risk</p>	<p>The risk of loss of principal or loss of a financial reward stemming from counterparty's failure to repay a loan or otherwise meet a contractual obligation. This risk is primarily applicable to the liquid assets of this fund. Credit risk is mitigated by fund manager's periodic reviews and analysis.</p>
<p>Country risk</p>	<p>A fund investing in foreign countries may be affected by risks specific to the countries in which it invests. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the Fund's investment in that country and consequently may also affect the fund's NAV and its growth. To mitigate this risk, the fund manager will diversify securities investment that spread across various countries.</p>

Source : *Principal Asset Management Bhd*

Date : 30 June 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. 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.