

### FUND OBJECTIVE

To provide capital appreciation through investments in collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

### FUND DETAILS

Launch Date	01 June 2022	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	10,687 units (30 September 2022)	Fund Size	RM10,584 (30 September 2022)
Unit NAV	RM0.9903 (30 September 2022)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Global Technology MYR-Hedged class Fund
Benchmark	MSCI World Information Technology Index	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>Are sophisticated investors;</li> <li>Have a long term investment horizon;</li> <li>Seek capital appreciation from investment in predominantly equity securities; and</li> <li>Want exposure to the technology sector.</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 Technology Fund.</li> <li>Up to 1.8% 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	100.00%
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SECTOR ALLOCATION OF THE TARGET FUND		TOP HOLDINGS OF THE TARGET FUND	
Others	18.65%	Microsoft Corp ORD (United States)	5.87%
Application Software	17.87%	Apple Inc (United States)	5.70%
Systems Software	14.20%	Amazon.com Inc (United States)	5.57%
Semiconductors	12.42%	NVIDIA Corp (United States)	3.47%
Data Processing & Outsourced Services	7.67%	Alphabet Inc (United States)	2.84%
Internet Services & Infrastructure	6.95%	ServiceNow Inc (United States)	2.60%
Technology Hardware, Storage & Peripherals	5.70%	Mastercard Inc (United States)	2.55%
Semiconductor Equipment	5.67%	Synopsys Inc (United States)	2.46%
Internet & Direct Marketing Retail	5.57%	Snowflake Inc (United States)	2.44%
Cash	5.30%	Visa Inc (United States)	2.31%
Total	100.00%	Total	35.81%

#### PERFORMANCE RECORD

The fund feeds into Principal Global Technology MYR-Hedged class Fund (“target fund”) with the aim of providing capital appreciation through investments in one collective investment scheme, which invests primarily in a diversified portfolio of technology related companies.

Table below shows the investment returns of Sun Life Malaysia Global Technology Fund versus its benchmark as at 30 September 2022:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	-0.97	-0.97	-0.97	N/A	N/A	N/A	-0.97
<b>Benchmark</b>	-6.22	-11.90	-6.22	N/A	N/A	N/A	-6.22

\* 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 fell 0.97% during the month, outperforming the benchmark by 10.93ppt.

Following a strong rally during the first half of 2022's third quarter, global equities fell sharply during the remainder of the period as investors worried that the global economy would weaken further or enter a recession as many central banks tighten monetary policy. The optimism that fuelled the equity rally through mid-August vanished after the release of the US Federal Reserve's (Fed's) July meeting minutes and hawkish comments made by Fed officials and other central bankers near August-end. And the stock selloff intensified during September as the Fed raised rates for the fifth time in 2022 and reiterated its focus on bringing down inflation despite potentially adverse economic effects. It was a tough summer for technology companies as some cracks appeared in consumer, enterprise, and data centre demand, which created headwinds for semiconductors, software, hardware, and other tech-related industries.

In our view, inflation, increased interest rates, and increased equity capital costs are the primary near-term risks in the IT and communication services sectors. If inflation headwinds begin to abate and the world's largest economies can avoid a deep recession, we consider sector valuations to be reasonable to attractive. If inflation intensifies, central bank rate increases prove ineffective or the world's largest economies enter a significant recession, we believe there will be additional valuation headwinds for "cash in the future" growth businesses.

Looking further ahead to 2023 and beyond, we continue to believe DT is a multi-trillion-dollar opportunity as it enables a widening array of companies to leverage software and data to better understand their customer and business processes, and various technologies to radically transform how they operate. Furthermore, with evidence that DT drives improved productivity and deeper customer relationships, we believe companies are now operationalising and scaling what worked during the COVID crisis and extending their DT initiatives into other parts of their operations. We are firm believers that DT is just getting started and has a long runway for sustained and significant growth, even as the macro environment becomes more challenging.

**RISKS**

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

<b>Returns not guaranteed</b>	The investment of the target 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.
<b>Market risk</b>	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.
<b>Inflation risk</b>	This is the risk of your investment in the target fund not growing or generating 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.
<b>Currency risk</b>	Currency risk is applicable to class(es) (e.g. Class MYR) which is in a different currency than the base currency of the Fund (i.e. USD). The impact of the exchange rate movement between the base currency of the fund and the currency denomination of the respective classes may result in a depreciation of the value of your holdings as expressed in the base currency. As for the hedged class, the class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the class and the base currency. While Principal aims to fully hedge the currency risk for a hedged class, you should note that it may not entirely eliminate currency risk. In addition, as a result of hedging, a hedged class will not be able to enjoy the full benefits of the currency movement in the event of a favourable movement of the currency denomination of the hedged class against the base currency of the fund. You should also note that hedging incurs costs which will impact the NAV of a hedged Class.
<b>Manager's risk</b>	Since the target fund invests into a collective investment scheme (CIS) managed by another manager, the master fund's manager has absolute discretion over the target fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the master fund, the NAV of the target fund, which invests into the master fund would be affected negatively.
<b>Country risk</b>	As the target fund invests in the master fund which is domiciled in Luxembourg, the target fund's investments in the master fund may be affected by risks specific to Luxembourg. Changes to laws and regulations of Luxembourg may have an adverse impact on the master fund, and consequently the target fund.

## RISKS (CONTINUED)

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

### **Biotechnology, Communication and Technology Sectors risk**

Investment in the biotechnology, communication and technology sectors may present a greater risk and a higher volatility than investment in a broader range of securities covering different economic sectors. In addition, these sectors may be subject to greater government regulation than other sectors and, as a result, changes to such government regulation may have a material adverse effect on these sectors. Such investments may therefore drop sharply in value in response to market, regulatory or research setbacks in addition to possible adverse effects from the competition of new market entrants, patent considerations and product obsolescence. Particularly within technology, short product cycles and diminishing profit margins are additional factors to consider when investing.

**Source :** *Principal Asset Management Bhd*  
**Date :** *30 September 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.