

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.

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	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	6.09 million units (30 October 2024)	Fund Size	RM8.79 million (30 October 2024)
Unit NAV	RM1.4419 (30 October 2024)	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	MSCI All Country World Index	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"> 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 are prepared to accept moderate level of volatility 	Fund Management Charge	<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

Master fund	Deposits, money market instruments and / or held in cash
Minimum of 85% Net Asset Value (NAV)	Maximum of 15% of NAV

SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	26.55%
Financials	21.34%
Industrials	21.28%
Information Technology	19.54%
Utilities	6.55%
Communication Services	3.76%
Cash & Others	0.98%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	5.04%
Johnson Controls International plc	4.44%
Mastercard Incorporated Class A	4.19%
ASML Holding NV	4.13%
Taiwan Semiconductor Manufacturing Co., Ltd.	3.94%

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 30 October 2024:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	15.45	5.56	-2.12	-2.72	24.61	N/A	44.19
Benchmark	10.97	3.85	-2.14	1.96	22.61	N/A	54.19

* Calculation of past performance is based on NAV-to-NAV

Table below shows the historical performance of the underlying collective investment schemes (CIS) for calendar year returns:

(%)	2023	2022	2021
Target Fund	28.10	-13.25	5.73

Source: Refinitiv Lipper

FUND MANAGER'S COMMENTS

MYR Class B returned +5.56% in October outperforming MSCI ACWI by +171 bps. Outperformance was driven by selection, which was weak in Information Technology and Financials. Over the month the markets had clearly been pricing an increased likelihood of a Trump victory and a stealth Trump trade had already been taking place prior to the election in early November. The US ten year in particular increased to 4.30% having been as low as 3.6% in September, reflecting the prospect of tariffs and tax cuts, and the Fund experienced a number of headwinds as the market priced in its view on how certain more sustainable segments might be impacted.

The greatest detractors to performance were ASML 19, AO Smith 16 and not holding NVIDIA 9. ASML delivered a very disappointing update on its orders in the third quarter and took down its guidance meaningfully for the full year. Whilst artificial intelligence (driven capex related to TSMC) has remained robust, the company has been more impacted by challenges at Samsung and Intel that we or the market anticipated, and the China facing business has been much weaker. AO Smith had performed very strongly in September as the market had become more positive on a recovery in its China facing operations as a result of stimulus, however the company subsequently released a profit warning noting a weak China end market and slower than anticipated North America water heater sales.

The largest contributors to performance were TSMC 6 and Fidelity National 7, in addition to not holding Apple 3. Whilst peers have struggled considerably, TSMC continues to deliver exceptional growth driven by AI related spending and the company once again raised its revenue guidance from "above mid 20s" to "close to 30". AI remains the main driver with 3 nm chips increasing to 20% of sales. Fidelity National benefitted from improved sentiment as a result of its banking customers reporting very strong earnings with material tailwinds across capital markets in particular.

Impact Focus of the Month

NextEra Energy is a company that the Fund has been invested in since its inception. As the largest developer of onshore wind globally and a very big, growing player in solar, the company has a huge positive impact on mitigating climate change both through the direct positive impact of its renewables portfolio displacing thermal generation and the indirect positive impact of its huge investments in renewable technology that have supported bringing down costs across the industry. Across the United States it is forecasted that there will be a huge increase in power demand driven to a material extent by AI related demand. NextEra is seeing an aggressive uptick in companies looking to secure clean energy, as a result of having to meet commitments to reduce carbon footprint (whilst also facing increased power consumption trends) but also simply to secure energy supply and mitigate bottlenecks for growth as demand ramps up across the country. NextEra is uniquely positioned to support this as a result of both its track record and scale, and the timeframe to bring solar or onshore wind projects online. Over the month NextEra announced two framework agreements with Fortune 50 companies for the development of renewables/storage projects totalling an enormous 10.5 GW. Notably these agreements were not with hyperscalers, who to date had been by far the largest buyers, reflecting that we are seeing a broadening of this demand for clean, quick to scale up, energy.

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 : 30 October 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.