

# Sun Life Malaysia Islamic Global Sustainable Fund

December 2024



## FUND OBJECTIVE

To achieve long-term capital growth.

## INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly 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 of the target fund.

## FUND DETAILS

Launch Date	01 June 2022	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	6.48 million units (31 December 2024)	Fund Size	RM 9.27 million (31 December 2024)
Unit NAV	RM 1.4302 (31 December 2024)	Target Fund	Nomura Global Shariah Sustainable Equity Fund - MYR Class A
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	Dow Jones Islamic Market Developed Markets 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"> <li>are seeking long term capital growth;</li> <li>want a portfolio of Shariah compliant investments that provides positive impact on the sustainable development of society</li> <li>want to have portfolio with global exposure; and</li> <li>are prepared to accept moderate level of volatility</li> </ul>	Fund Management Charges	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Global Sustainable Fund</li> <li>Up to 1.6% p.a fund management charge is applied on the target fund's NAV by Nomura Asset Management Malaysia Sdn Bhd</li> </ul>

## ASSET ALLOCATION OF THE TARGET FUND

Shariah-compliant equities and Shariah-compliant equity related securities	Islamic money market instruments, placement of Islamic deposit and / or held in cash
Minimum 70% of Net Asset Value (NAV)	Maximum 30% of NAV

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## SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	36.86%
Health Care	23.53%
Industrials	21.11%
Financials	7.93%
Communication Services	7.04%
Consumer Discretionary	1.83%
Cash & Others	1.70%

## TOP HOLDINGS OF THE TARGET FUND

Nvidia Corp	7.19%
Alphabet Inc-CI A	7.04%
Microsoft Corp	6.91%
Apple Inc	5.34%
Mastercard Inc-A	4.90%

## PERFORMANCE RECORD

This fund feeds into Nomura Global Shariah Sustainable Equity Fund - MYR Class A ("target fund") with the objective to achieve long-term capital growth.

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

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	14.52	-1.84	-2.01	-5.34	7.22	N/A	14.10
<b>Benchmark</b>	15.30	-0.96	8.19	-1.32	15.30	N/A	25.78

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

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

(%)	2024	2023
<b>Target Fund</b>	<b>16.15</b>	<b>31.18</b>

Source: Refinitiv Lipper

## FUND MANAGER'S COMMENTS

While investors embraced a broad market correction due to Fed dovish outlook where MYR Class A delivered -1.98% for the month to wrap up for the calendar year 2024 we are pleased to announce that GSSE has achieved a second consecutive year of exceptional performance. For the calendar year 2024 the MYR Class A delivered a return of 16.15 outperforming the benchmark by 85 bps. While this success would not have been possible without upholding our investment philosophy of quality at discount valuation in navigating the dynamic market landscape, we acknowledge and extend our sincere gratitude to our investors for your unwavering trust and confidence to invest with GSSE. As we enter into 2025 we anticipate a favourable landscape of enhanced opportunities that would further boost companies' productivities and innovations to support the earnings projections and we look forward to continue delivering desirable performance in 2025 and for a longer run. Meanwhile, we also acknowledge that multiple re-ratings opportunities may be less pronounced compared to previous years.

Examining December 2024 performance by region, NA continue to be a major detractor to the relative performance despite narrowing gap in our underweight positions. This was exacerbated by stronger USD against other major world currencies. By sector, not owning Materials and Energy continued to contribute positively as they were the top worst performing sectors while Consumer Discretionary was a major detractor due to our limited exposure to TSLA. Lastly, Healthcare was a major detractor attributed to both allocation and selection. We are actively navigating and examining promising Healthcare opportunities to capitalize on a potential recovery as we recognize the long term quality proposition of this sector. We believe that market at some point would return and appreciate Healthcare as an oversold quality sector filled with broad innovation pipelines in the long run.

**FUND MANAGER'S COMMENTS (CONT')**

The top contributors to the relative performance were Taiwan Semiconductor Manufacturing and Alphabet Taiwan Semiconductor Manufacturing received positive read thru from Broadcom earnings where the company announced an AI networking and custom ASIC serviceable addressable market of \$60-90B by 2027 from three hyperscalers This is as compared to Broadcom's current AI revenue of \$12.2B. Alphabet on the other hand released upbeat news highlighting its " quantum chip breakthrough where the error rates are lowered in the number of qubits (building blocks of quantum computers) rise and errors could be corrected in real time The top detractors to the relative performance were Novo Nordisk and Adobe Limited exposure to Broadcom was also the top detractor Novo Nordisk disappointed with its Cagrisema readout data of 22.7% weight loss as compared to street expectation of 25%. Adobe failed to provide much exciting AI monetization updates while releasing disappointing new FY 10/25 revenue guidance of +9% missed market expectations of above 10% and its Digital Media ARR growth guidance of +11% only came in line.

Impact

**Focus of the Month**

In December 2024 we were pleased to receive the final results from the second ecoacoustics study NAM sponsored, along with a wider investor group and in collaboration with Green Praxis The study was conducted in a palm oil plantation in Malaysia and similarly to phase 1 of this project, which took place in September 2022 in Indonesia, utilised rapid acoustic survey (RAS) as a fast, affordable, non-invasive and reliable estimate of biodiversity abundance and richness in the area The data gathering stage of the process took place over a three week period in June 2024 during which the Green Praxis team took measurements on three types of plots in the area including production (palm oil plantation), conservation (secondary forest) and pristine forest (outside of concession) The study concluded confirming findings from Indonesia that conservation plots are very successful in restoring local biodiversity in a given area and that that could be captured and determined entirely through analysis of soundscapes Another key finding was that the new recorders being tested in this study can produce comparable and reliable results vs the previous equipment used, which makes them suitable for increasing the scope of the project (~15x cheaper and lighter), including the potential for remote recording (collaborating with local communities) and assessment of the data gathered (from distance) One shortcoming of the previous study undertaken in Indonesia two years ago was the lack of a true pristine forest to serve as a control for the study, given all of those have been long been deforested The investor group is incredibly pleased that this time around the Green Praxis team managed to gain access to one of the few remaining and among the oldest .pristine tropical jungles globally the Ulu Kinta forest reserve

**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 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 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.
<b>Manager's risk</b>	This risk refers to the day-to-day management of the target fund by Nomura which will impact the performance of the target fund. For example, investment decisions undertaken by Nomura as a result of 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.

**RISKS (CONTINUED)**

<b>Country risk</b>	The investment of the target fund may be affected by risk specific to the country in 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 in which the target fund invest in.
<b>Reclassification of Shariah Compliance Status</b>	Shariah-compliant securities and instruments held by the target fund are subject to periodic review by the SAC of the SC, SAC of BNM, the Shariah boards of the relevant Islamic indices or the Shariah Adviser. These securities may be reclassified as non-compliant during such reviews and the target fund may need to take the necessary steps to dispose of such security or instrument, upon the advice of the Shariah Adviser. Consequently, the target fund may realise some losses in the disposal of the same or there may be opportunity loss for the target fund as the target fund may not be permitted to retain excess capital gains derived from such disposal.
<b>Currency Risk</b>	<p>As the Base Currency is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are also exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than Classes denominated in USD) will affect the Unit Holder's investments in those Classes (other than Classes denominated in USD). The impact of the exchange rate movement between the Base Currency and the currency denomination of the Class (other than Classes denominated in USD) may result in a depreciation of the Unit Holder's holdings as expressed in the Base Currency.</p> <p>In order to manage currency risk, Nomura may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the target fund's investments and/or the Classes not denominated in USD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged but it does not entirely eliminate currency risk between the Class and the Base Currency. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging will be borne by the hedged class and may affect returns of the hedged class.</p>
<b>Default Risk</b>	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. If the financial institution which the target fund places deposits with defaults in payment or become insolvent, the target fund may also suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the target fund to be adversely affected This could affect the value of the target fund as up to 20% of the NAV of the target fund will be invested in Islamic deposits, Islamic money market instruments and/or held in cash.

**Source : Nomura Asset Management Malaysia Sdn Bhd**  
**Date : 31 December 2024**

**Disclaimer:**

This is strictly the performance of the investment fund, and not the returns earned on the actual takaful contributions 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 contributions 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.