

### 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 | 29.28 million units<br>(31 December 2020)   | Fund Size    | RM55.66 million<br>(31 December 2020)  |
| Unit NAV             | RM1.9012<br>(31 December 2020)  | Dealing      | Daily<br>(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"> <li>▪ Have a medium to long term investment horizon</li> <li>▪ Target capital appreciation</li> <li>▪ Do not require regular income</li> <li>▪ Comfortable with higher volatility</li> <li>▪ Willing to take higher risk for potential higher gains</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 Titans Fund.</li> <li>▪ Up to 1.5% 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

| Equities (Foreign) | Mutual Fund | Cash  |
|--------------------|-------------|-------|
| 62.94%             | 27.96%      | 9.10% |

#### SECTOR ALLOCATION OF THE TARGET FUND

|                                    |         |
|------------------------------------|---------|
| SPDRS&P 500 ETF                    | 36.52%  |
| IShares Core MSCI Eur ETF EUR Dist | 17.79%  |
| Principal GLB EUR EQ-INS ACC       | 10.64%  |
| JPM Europe Strategic Growth Fd     | 9.19%   |
| TOPIX ETF                          | 8.63%   |
| Legg Mason GLB - US Large Cap      | 4.53%   |
| JPM Japan Yen Fund                 | 3.60%   |
| Cash                               | 9.10%   |
| Total                              | 100.00% |

#### TOP HOLDINGS OF THE TARGET FUND

|                     |        |
|---------------------|--------|
| Apple Inc           | 6.51%  |
| Facebook Inc        | 6.40%  |
| Microsoft Corp      | 4.77%  |
| Toyota Motor Corp   | 3.50%  |
| Sony Corporation    | 2.50%  |
| Softbank            | 2.40%  |
| Keyence Corporation | 2.00%  |
| Nintendo Co., Ltd.  | 1.60%  |
| Tesla Inc           | 1.52%  |
| Nestle S.A.         | 1.39%  |
| Total               | 32.59% |

#### PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund ("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 2020:

| %                | YTD   | 1M   | 6M    | 1-Year | 3-Years | 5-Years | Since Inception |
|------------------|-------|------|-------|--------|---------|---------|-----------------|
| <b>Fund*</b>     | 11.11 | 2.32 | 11.86 | 11.11  | 23.49   | 41.87   | 90.12           |
| <b>Benchmark</b> | 9.58  | 2.59 | 12.72 | 9.58   | 24.46   | 49.41   | 93.48           |

\* 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 2.32% during the month of December 2020, underperforming the benchmark by 27bps. Year-to-date, the Fund increased by 11.11%, outperforming the benchmark by 153 bps.

Developed equity market continued to rally in December with positive news on vaccines, US fiscal stimulus package and Brexit deal. However, covid infections were also rising in US and Europe with limited ICU capacity, which forced governments to implement lockdown measures during holiday season. S&P 500 Index, MSCI Europe and Japan Indexes returned 3.17%, 5.59% and 4.15% respectively in USD terms. The Dollar Index continued to weaken with EUR and JPY appreciated.

Manufacturing PMIs continue the upward trend with Europe improving the most and Japan reaching the expansionary zone. The 12m forward earnings are revised higher across all developed markets with Europe and Japan leading the positive earnings revision. Congress finally agreed on a \$900bn pandemic relief bill including enhanced unemployment benefits and direct cash payments to households, which are important to support consumer spending and US economic recovery. EU countries also agree on the €1.8tn recovery fund focusing on green and digital initiatives to rebuild Europe from the pandemic. Central banks will remain supportive in monetary policy. The Fed's shift in monetary policy strategy from flexible inflation targeting to average inflation targeting reaffirmed our belief that interest rates will stay low for longer. As covid cases rising in winter, central banks will keep aggressive asset purchases to support economy recovery. US valuation has come down to the historical long-term mean after market correction. Europe and Japan valuations are relatively more favorable.

We are overweight all developed markets as growth broadens out in 2021. We maintain our view that the global economy should continue its recovery over the next 12 months. Developed markets PMIs are resilient against the backdrop of rising covid cases. Corporate earnings are consistently revised higher across all developed markets. We think the resurgence of virus cases would be contained by better awareness, testing and contact tracing and the availability of vaccines to the public. In addition, markets will continue to be supported by low interest rates and ample liquidity.

## RISKS

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

|                            |   |
|----------------------------|---|
| <b>Market risk</b>         | 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.   |
| <b>Stock specific risk</b> | 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.   |
| <b>Country risk</b>        | 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.  |
| <b>Currency risk</b>       | 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. |
| <b>Fund manager's risk</b> | 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 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.