

Sun Life Malaysia Islamic Global Sustainable Fund

October 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	6.09 million units (30 October 2024)	Fund Size	RM 8.79 million (30 October 2024)
Unit NAV	RM 1.4419 (30 October 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">▪ are seeking long term capital growth;▪ want a portfolio of Shariah compliant investments that provides positive impact on the sustainable development of society▪ want to have portfolio with global exposure; and▪ are prepared to accept moderate level of volatility	Fund Management Charges	<ul style="list-style-type: none">▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic 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

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	35.45%
Health Care	26.61%
Industrials	21.57%
Financials	6.96%
Communication Services	5.91%
Consumer Discretionary	2.07%
Cash & Others	1.44%

TOP HOLDINGS OF THE TARGET FUND

Nvidia Corp	7.37%
Microsoft Corp	6.86%
Alphabet Inc-Cl A	5.91%
Taiwan Semiconductor-Sp Adr	5.33%
Mastercard Inc-A	4.67%

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 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	10.41	3.61	-3.40	1.42	22.98	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 the calendar year returns:

(%)	2023	
Target Fund	31.18	

Source: Refinitiv Lipper

FUND MANAGER'S COMMENTS

Until end of October, about 70 of S&P 500 index, 50 of STOXX 600 index and 35 of TOPIX index have reported quarterly earnings with US companies stood out to have reported better than expected earnings in general as compared to EU and Japan companies. However, market did not rally to achieve another all-time high level given the high concentration in mega cap companies, uptick in interest rate, lack of guidance upsides and elevated market multiples. We believe that such underlying macro backdrop and earnings updates are still positive for global equities but would require investors to become more stock selective and focus on bottom up approach at a discount valuation to generate better alpha. Furthermore, for market volatilities to ease, we look forward for couple key macro events in November including China fiscal stimulus announcement from NPC meeting, U S Fed rate decision making announcement and U S presidential election outcome. In terms of currency, we did not take any hedge actions and observed that MYR appreciated 6.2 against USD, reversing the currency loss in September.

By region, NA outperformance offset EU and APAC. Despite still negative performance in USD basis, NA had better monthly performance as investors navigate through the better earnings season. By sector, Financials and not having exposures in Consumer Staples contribute to the monthly outperformance. This was offset by weakness in Healthcare where there were plentiful weaker than expected earnings updates in the pharmaceutical companies.

The top contributors to the relative performance were Taiwan Semiconductor Manufacturing and Tetra Tech. Taiwan Semiconductor Manufacturing delivered Q3 earnings as well as providing Q 4 guidance for revenue and GPM that are better than expected. The quarterly earnings result once again proven positioning of TSMC leading edge capabilities to benefit from AI contributions and margin improvement opportunities. On the other hand, the bottom contributors to the relative performance were ASML and Thermo Fisher. ASML surprised investors negatively as they delivered EUV bookings of 1.4 bn lower than expected and guided negatively by resetting CY 2025 revenue guidance to 30-35 bn from 30-40 bn as they incorporate conservatism on China revenue. While we do not see the change in lithography leadership, we hope to hear more constructive comments on near term trend updates as ASML would hold its CMD on 14 November 2024.

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. 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)

<p>Country risk</p>	<p>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.</p>
<p>Reclassification of Shariah Compliance Status</p>	<p>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.</p>
<p>Currency Risk</p>	<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>
<p>Default Risk</p>	<p>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.</p>

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 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.