

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	31.86 million units (31 May 2024)	Fund Size	RM84.81 million (31 May 2024)
Unit NAV	RM2.6623 (31 May 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Global Titans Fund- Class MYR
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"> Have a medium to long term investment horizon Target capital appreciation Do not require regular income Comfortable with higher volatility Willing to take higher risk for potential higher gains 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Titans Fund. Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Mutual Fund	Equities (Foreign)	Cash
87.54%	8.85%	3.61%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	87.54%
Information Technology	5.49%
Industrials	0.98%
Consumer Staples	0.96%
Materials	0.73%
Health Care	0.69%
Cash	3.61%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	27.56%
iShares Core MSCI Europe ETF (Europe)	16.10%
NEXT FUNDS TOPIX ETF (Japan)	9.75%
JP Morgan Europe REI ESG UCITS (Europe)	7.38%
JP Morgan US REI Equity ESG (United States)	5.56%
JP Morgan US Growth Fund (United States)	4.39%
Principal GLB - EUR EQ-INS ACC (Europe)	3.22%
JPMorgan Europe Strategic GrowthFund (Europe)	3.02%
FTGF ClearBridge - US Large Cap (United States)	2.63%
NEXT FUNDS TOPIX Banks ETF (Japan)	2.23%
Total	81.84%

PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund - Class MYR ("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 May 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	11.37	2.59	13.83	21.01	25.52	72.45	166.23
Benchmark	11.00	2.72	14.23	23.03	33.46	84.49	190.89

* 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 increased by 2.59% in May, underperformed the benchmark by 0.13%. YTD, the Fund is up 11.37%, outperforming the benchmark by 0.37%.

Developed markets registered positive returns in May, with the S&P 500, MSCI Europe, and MSCI Japan increasing by 4.8%, 2.5%, and 1.2%, respectively, in local currency terms. In the US, slightly softening jobs and consumption data didn't derail the soft-landing path. Fears of inflation and further interest rate hikes were alleviated by an April CPI miss, though upcoming readings remain crucial as the Fed remains data-dependent. In Europe, selective economic indicators are improving, and continued moderation in inflation supports potential interest rate cuts by the ECB. In Japan, USD/JPY stabilized with the help of easing US inflation data and government FX interventions. The expectation of another interest hike by the BOJ and the reduction in monthly JGB purchases pushed the 10-year JGB yield above 1%. The 10-year Treasury yield decreased to 4.3% at the time of writing. The U.S. Dollar weakened by 1.9%, while the Euro strengthened by 2%, and the Japanese Yen appreciated by 1.1%.

US inflation moderated to 3.4% in April, with core inflation slowing to 3.6%. On a month-over-month basis, inflation increased by 0.3%, down from 0.4% in February and March, and below market expectations. The US economy remains solid with the manufacturing PMI rising to 51.3 and the services PMI to 54.8. However, consumer spending continued to ease, with retail sales moderating to 3.4% YoY and 0% MoM. The first quarter GDP growth moderated to 1.3% due to a downward revision in consumer spending on goods and services. Data also pointed to signs of weakness in a still resilient labor market: initial jobless claims were higher than expected in May, and job openings declined by 296k, coming in below market expectations. May preliminary inflation in Europe came in higher than expected at 2.6%, driven by energy and services, with core inflation accelerating to 2.9%, above consensus forecasts. The region's economy is improving, with first-quarter GDP growth of 0.3% QoQ, manufacturing PMI rising to 47.3, and services PMI stable at 53.2. Additionally, both industrial production and retail sales exceeded market expectations. Japan's manufacturing PMI improved to 50.4, with services PMI at 53.8. April headline inflation moderated to 2.5%, and core inflation to 2.4%, still above the BOJ's target. Retail sales rose to 2.4% YoY, exceeding market expectations. Wage growth accelerated, with average cash earnings increasing to 2.1% YoY, boosting real wage growth. The disinflation trend continued in Europe as April headline inflation stayed at 2.4%, with core inflation slowing to 2.7%. Manufacturing PMI continued to slow down while services PMI reached a new high. However, there are no clear signs of improvement in industrial production and retail sales, both in contraction.

Strategy: Maintain a Slight Overweight in US and an Underweight in Europe. Despite incremental positive economic surprises in Europe, both economic and earnings growth expectations fall short of those in the US. Interest rate differentials support a stronger dollar until there are clearer signs that inflation is consistently moderating towards the Fed's 2% target. Maintain Overweight Japan. Despite currency market volatility, the fundamental themes of reflation and ongoing corporate governance reforms remain intact. Corporate earnings growth continues to be revised higher. Despite the rally since 2023, Japan's equity valuation remains reasonable. The BOJ's removal of the reference amount for JGB purchases in the latest monetary policy meeting opens the possibility of future reductions of JGB purchases. However, any policy normalization is likely to be gradual to avoid sudden increases in JGB yields. The FX interventions by the Ministry of Finance will cap USD/JPY. However, if interventions fail to prevent further Yen weakening, the BOJ may need to increase interest rates or reduce JGB purchases to support the Yen, especially if US interest rates remain high. However, monetary policy would stay accommodative given that real interest rate will likely stay negative for Japan.

RISKS

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

Market risk	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.
Stock specific risk	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.
Country risk	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.
Currency risk	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.
Fund manager's risk	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 May 2024*

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.