

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	33.81 million units (30 August 2023)	Fund Size	RM77.90 million (30 August 2023)
Unit NAV	RM2.3040 (30 August 2023)	Dealing	Daily (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	<p>Suitable for investors:</p> <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
91.58%	3.41%	5.01%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	91.58%
Information Technology	1.95%
Consumer Staples	0.99%
Consumer Discretionary	0.47%
Cash	5.01%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF Trust (United States)	33.82%
iShares Core MSCI Europe ETF (United Kingdom)	27.62%
NEXT FUNDS TOPIX ETF (Japan)	9.23%
JPMorgan Funds - US Growth Fund (Luxembourg)	3.36%
NEXT FUNDS TOPIX Banks ETF (Japan)	3.35%
JPMorgan Japan Yen Fund Acc (Hong Kong)	2.93%
FTGF ClearBridge US Large Cap Growth (Ireland)	2.16%
Principal GIF - European Responsible Equity (Ireland)	2.09%
Samsung Electronics Co Ltd GDR (RegS) (United Kingdom)	1.95%
iShares Asia 50 ETF (United States)	1.82%
Total	88.33%

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 30 August 2023:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	17.06	0.07	10.71	16.22	27.38	41.91	130.40
Benchmark	19.30	0.11	12.15	20.33	37.12	54.39	150.08

* 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 increase by 7 bps in August, underperforming the benchmark by 4 bps. YTD, the Fund is up 17.06%, underperforming the benchmark by 224 bps.

S&P500, MSCI Europe and MSCI Japan declined by 1.6%, 2.5% and -0.01% respectively MTD in local currency terms. While acknowledging a decrease in inflation from its peak, Federal Reserve Chair Powell emphasized that inflation remained too high. He indicated the possibility of further rate increases and maintained a hawkish policy stance. The 10-year Treasury bond yield increased to 4.3% towards the end of August, driven by better-than-expected economic data and strong Treasury issuances. Additionally, the US Dollar appreciated by 2.3%, while the Euro and Japanese Yen depreciated by 2% and 2.8%, respectively, at the time of writing.

While Manufacturing PMIs remain in the contraction zone, Services PMIs have also started to deteriorate in both the US and Europe. Although there was a slight improvement in Manufacturing PMI in the Euro Area, Services PMI experienced a sharp contraction, declining from 50.9 to 48.3. This signals that the post-pandemic shift in demand from goods to services may be coming to an end. On the other hand, Japan's PMIs continue to show resilience, with Services PMI increasing to 54.3. Additionally, nominal retail sales in Japan saw a 2.1% MoM increase, driven by strong summer holiday demand. Early indicators pointed to a cooling but still resilient US labor market, with nonfarm payroll growth slightly below consensus, an increase in unemployment rate from 3.5% to 3.8%, and a moderation in MoM Average Hourly Earnings from 0.4% to 0.2%. US retail sales increased 0.7% MoM, exceeding market expectations of 0.4% increase. Forward 12-month corporate earnings have been revised up for US and Japan but revised down for Europe.

Underweight US and Europe, Overweight Japan. Disinflationary pressures coupled with robust economic activity have created a more constructive US narrative. However, stretched valuations and restrictive monetary policy suggest further US equity upside is limited. Europe is decoupling from the broad bullish market sentiment. The positive impulse from lower gas prices is no longer compensating for the combination of weaker European activity data and negative macro surprises and concerns over headwinds from China. On the other hand, Japan's economy is strengthening. The BOJ has made a first move away from its ultra-easy monetary policy. If core inflation continues to accelerate accompanied by wage growth, further policy normalization suggests significant potential for Japanese Yen appreciation. In addition, Japan provides an element of diversification given its cycle appears desynchronized from other developed markets.

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 : *30 August 2023*

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.