

# Sun Life Malaysia Global Sustainable Fund

January 2024



## FUND OBJECTIVE

To achieve long term capital growth through investment in a relatively concentrated, actively managed portfolio of global equity securities issued by companies with a high overall positive impact on society.

## FUND DETAILS

Launch Date	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	8.52 million units (31 January 2024)	Fund Size	RM9.48 million (31 January 2024)
Unit NAV	RM1.1118 (31 January 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
Benchmark	MSCI All Country World Index	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"><li>▪ are seeking long term capital growth;</li><li>▪ want a portfolio of investments that provides positive impact on the sustainable development of society;</li><li>▪ want to have portfolio with global exposure; or</li><li>▪ are prepared to accept moderate level of volatility.</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 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

Equity Fund	Cash and Others
99.85%	0.15%

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## SECTOR ALLOCATION OF THE TARGET FUND

Health Care	27.08%
Information Technology	22.54%
Financials	21.02%
Industrials	16.72%
Utilities	5.94%
Communication Services	3.03%
Materials	2.16%
Cash & Others	1.52%

## TOP HOLDINGS OF THE TARGET FUND

Microsoft Corporation	5.29%
ASML Holding NV	4.38%
Mastercard Incorporated Class A	4.28%
Novo Nordisk A/S Class B	4.24%
Boston Scientific Corporation	4.16%

## PERFORMANCE RECORD

This fund feeds into Nomura Global Sustainable Equity Fund - MYR Class B ("target fund") with the objective to achieve long-term capital growth through investment in a relatively concentrated, actively managed portfolio of global equity securities issued by companies with a high overall positive impact on society.

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

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	4.47	4.47	11.76	7.71	21.64	N/A	11.18
<b>Benchmark</b>	3.48	3.48	13.96	8.42	24.99	N/A	15.57

\* 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

Allocation was positive in January and this was mainly driven by outperformance in Healthcare and underperformance in Consumer Discretionary. During January, whilst Information Technology and Communication Services continued to perform well, there appeared to be some broadening in the market with Healthcare and Financials also outperforming the broader benchmark.

**Impact focus of the month:** During January, we took part in Nestle's annual chairman roundtable to discuss a variety of ESG issues. In recent months, we have been conducting a lot of analysis on the effects of ultra-processed food (UPF) on health and whether large food companies can be deemed as sustainable investments. Ultimately, we exited Nestle and Unilever as a result of our new work because we felt that too many of their products could damage people's health. From our recent meeting in January, we felt that Nestle's stance that processing is not necessarily bad is a reasonable one but more scientific research is warranted as well as greater transparency to address the potential negative consequences here. We aim to remain engaged on the issue of UPF so that if improvements are made at certain companies then we could reassess our position.

In January, ASML (+15%) and SAP (+13%) were the greatest contributors. ASML shares performed strongly after delivering good 4Q23 results with sales and earnings significantly above market expectations. The market was also reassured by the rising order backlog that de-risks 2024/2025 expectations. SAP rose in January as investors were encouraged by accelerating cloud revenue growth metrics published at their annual results. JCI (-8%) and AIA (-11%) were the largest detractors. JCI underperformed after trimming their annual guidance after tougher performance in China; we feel the move is overdone and that there is not much change to the longer term equity story. AIA was dragged down by a more difficult backdrop in the Chinese macro-economic picture with a difficult start to the year for many Chinese equities. The overall HK index was down -9% in January.

## 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, e.g. investment decisions undertaken by Nomura as a result of an 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.
<b>Concentration risk</b>	As the target fund invests at least 80% of its NAV in the master fund, it is subject to concentration risk as the performance of the target fund would be dependent on the performance of the master fund.
<b>Country risk</b>	The investment of the target fund may be affected by risk specific to the country 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 which the target fund invests in, i.e. Ireland, the domicile country of the master fund.

**RISKS (CONTINUED)**

<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. This could affect the value of the target fund as up to 20% of the NAV of the target fund will be invested in liquid assets which include but are not limited to deposits and money market instruments.
<b>Investment manager of the master fund risk</b>	<p>The target fund will invest in the master fund managed by a foreign asset management company. This risk refers to the risk associated with the investment manager, which include:</p> <ul style="list-style-type: none"><li>i) The risk of non-adherence to the investment objective, strategy and policies of the master fund;</li><li>ii) The risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the investment manager; and</li><li>iii) The risk that the master fund may underperform its benchmark due to poor investment decisions by the investment manager.</li></ul>

**Source : Nomura Asset Management Malaysia Sdn Bhd**  
**Date : 31 January 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.