Sun Life Malaysia
Global Sustainable Fund
February 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	8.24 million units (29 February 2024)	Fund Size	RM9.43 million (29 February 2024)
Unit NAV	RM1.1439 (29 February 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: ▪ are seeking long term capital growth; ▪ want a portfolio of investments that provides positive impact on the sustainable development of society; ▪ want to have portfolio with global exposure; or ▪ are prepared to accept moderate level of volatility.	Fees	▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia 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

Equity Fund	Cash and Others
99.07%	0.93%

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SECTOR ALLOCATION OF THE TARGET FUND

Health Care	27.50%
Financials	22.20%
Information Technology	21.96%
Industrials	18.50%
Utilities	4.75%
Communication Services	2.92%
Materials	1.37%
Cash & Others	0.79%

TOP HOLDINGS OF THE TARGET FUND

Microsoft Corporation	5.35%
ASML Holding NV	4.71%
Mastercard Incorporated Class A	4.49%
Novo Nordisk A/S Class B	4.35%
Taiwan Semiconductor Manufacturing	4.22%

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 29 February 2024:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	7.49	2.89	10.49	9.62	22.51	N/A	14.39
Benchmark	8.15	4.51	11.66	13.47	27.98	N/A	20.78

** 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.

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FUND MANAGER'S COMMENTS

February was notable for the continued outperformance of the Semiconductor sector with Nvidia's strong 4Q results and outlook sparking a further rally. Though GSE has exposure to semiconductor names such as ASML and TSMC, the concentrated nature of the rally still created a moderate headwind in selection within the Information Technology (IT) sector.

In February, Schneider (+14%) and JCI (+12%) were the greatest contributors. Schneider shares rose as they reported strong 2023 results and produced an outlook that topped investor expectations with demand from data centres remaining robust. JCI rebounded after poor share price performance in January (-8%) with sentiment amongst investors becoming too negative in our view. Adobe (-9%) and HDFC (-4%) were the largest detractors. Adobe declined after OpenAI launched Sora, a text to video generator, that some investors thought could provide a competitive challenge. We think Adobe should be an artificial intelligence (AI) beneficiary as it natively integrates generative AI with its market leading editing tools such as Illustrator, Photoshop, Premiere Pro, etc., which should allow the company to maintain market share and increase pricing over time. HDFC shares underperformed broader Financials in February. Slowing deposit growth in 4Q raised questions from investors over the probability of net interest margin expansion post the HDFC Ltd merger. We think these concerns are overdone and the long-term prospects of HDFC are still attractive.

Impact Focus of the Month:
Cybersecurity is an increasingly important topic for sustainability investors as sophisticated attacks from hackers emerge with greater frequency. This field has always been part of our sustainability framework and, in the past year, we have worked with a third party vendor, Bitsight, to assess the preparedness of companies to this threat. In this way we are trying to leverage data to provide us with a level of cyber risk ratings. This remains a challenging area to assess and this month, one of our investee companies (UnitedHealth Group) suffered a sophisticated attack that disrupted Change Healthcare leaving many medical companies temporarily unable to process payments. We were disappointed to hear this as we had previously engaged with the company on potential weaknesses that had arisen in our earlier research. Going forward, we aim to learn more from this specific event and continue our engagements on this issue across companies that could be vulnerable (healthcare, financials) as well as businesses that can help to defend/ remediate activity in IT.

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, 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.
Concentration risk	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.
Country risk	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)

Default risk	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.
Investment manager of the master fund risk	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: i) The risk of non-adherence to the investment objective, strategy and policies of the master fund; ii) The risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the investment manager; and iii) The risk that the master fund may underperform its benchmark due to poor investment decisions by the investment manager.

Source : Nomura Asset Management Malaysia Sdn Bhd
Date : 29 February 2024