

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	9.25 million units (29 December 2023)	Fund Size	RM8.69 million (29 December 2023)
Unit NAV	RM1.0642 (29 December 2023)	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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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
99.32%	0.68%

SECTOR ALLOCATION OF THE TARGET FUND

Health Care	26.39%
Financials	20.73%
Information Technology	20.59%
Industrials	16.71%
Utilities	6.24%
Consumer Staples	3.07%
Communication Services	3.03%
Materials	2.39%
Cash & Others	0.85%

TOP HOLDINGS OF THE TARGET FUND

Microsoft Corporation	4.42%
Mastercard Incorporated Class A	4.07%
Taiwan Semiconductor Manufacturing Co.	3.85%
Novo Nordisk A/S Class B	3.79%
Boston Scientific Corporation	3.71%

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 December 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	18.17	2.79	6.00	1.88	18.17	N/A	6.42
Benchmark	25.27	3.25	8.32	4.81	25.27	N/A	11.69

* 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 a modest positive as a result of the underperformance of the Energy sector, however stock selection was negative across Financials and Technology in particular. Value (+5.4%), as defined by the MSCI ACWI index, outperformed Growth (+4.2%) however the primary story of the month was the continued bounce back in small cap stocks that began in November; Russell 2000 advanced +12.2% in December and has rallied +22.4% since October end.

Impact focus of the month: Over the past two years, the team have engaged extensively with Thermo Fisher Scientific's management on the sale of DNA sequencing devices and consumables within the People's Republic of China. The company has engaged proactively on this issue and has now announced that it has halted sales in the regions associated with potential human rights violations. The original allegations of malpractice related to the province of Xinjiang and predated our initial investment. In 2019, Thermo Fisher halted sales of DNA sequencing devices in Xinjiang after it was alleged that the Chinese authorities were using them to build genetic surveillance infrastructure to monitor the Uyghur minority living in the province. Even after sales were officially stopped, the team were concerned that controls were not sufficient and devices were being transferred to Xinjiang from other provinces in China. Engagements with Thermo Fisher supported the view that the company was taking steps to address this and that prior sales volumes in Xinjiang were not sufficient to amount to mass genetic surveillance. In 2022, new concerns emerged around Thermo Fisher's equipment being used in the mass collection of DNA by the Tibetan authorities. The team's engagement with Thermo Fisher resumed focus around pushing for a halt in sales to the province similar to Xinjiang. Pressure from activists and lawmakers as well as investors seems to have helped persuade the company, and in January 2024 Thermo Fisher confirmed that they had stopped selling the technology in the Tibet region.

CVS Health (+16%) and Johnson Controls (+10%) were the greatest contributors. CVS performed well through the month as management reassured investors at their annual Investor Day (5th December) that visibility on future earnings in 2024/2025 is becoming clearer after a year of substantial acquisitions. Johnson Controls had suffered from an overhang in relation to a cybersecurity event suffered earlier in the quarter which delayed the publishing of its earnings and whilst quarterly earnings were modestly disappointing the removal of the overhang and clarification that the impact of the cybersecurity breach was relatively limited supported a recovery in the share price. United Health (-5%) and SAP (-4%) were the largest detractors. The move in United Health was in the team's view more reflective of investor positioning rather than any change to fundamentals and the team remain constructive on the company. SAP was dragged down by reports from Oracle that sales growth within its cloud computer division is slowing.

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	<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">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; andiii) 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 December 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.