

### 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	36.46million units (31 January 2023)	Fund Size	RM73.95 million (31 January 2023)
Unit NAV	RM2.0283 (31 January 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"> <li>Have a medium to long term investment horizon</li> <li>Target capital appreciation</li> <li>Do not require regular income</li> <li>Comfortable with higher volatility</li> <li>Willing to take higher risk for potential higher gains</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 Titans Fund.</li> <li>Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Collective Investments	Cash
95.03%	4.97%

SECTOR ALLOCATION OF THE TARGET FUND		TOP HOLDINGS OF THE TARGET FUND	
SPDR S&P 500 ETF Trust	37.93%	Apple Inc (United States)	2.37%
IShares Core MSCI Europe ETF EUR Dist	30.93%	Microsoft Corp (United States)	2.21%
TOPIX ETF	8.62%	Nestle SA (Switzerland)	1.50%
JP Morgan Europe Strategic Growth Fund	4.56%	ASML Holding NV (Netherlands)	1.23%
Principal GIF – European Responsible Equity Fund	3.84%	Alphabet Inc (United States)	1.19%
Others	3.62%	LVMH (France)	1.11%
JP Morgan Japan Yen Fund	2.27%	Novo Nordisk A/S (Denmark)	1.09%
Global X Copper Miners	1.66%	Amazon.com Inc (United States)	0.98%
SPDR S&P Metals & Mining ETF	1.60%	AstraZeneca PLC (United Kingdom)	0.95%
Cash	4.97%	Roche Holding Ltd (Switzerland)	0.94%
<b>Total</b>	<b>100.00%</b>	<b>Total</b>	<b>13.57%</b>

### 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 31 January 2023:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	3.05	3.05	-0.56	-4.79	18.77	29.53	102.83
<b>Benchmark</b>	3.45	3.45	0.35	-3.73	24.04	37.67	116.85

\* 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 is up by 3.05% in January, underperforming the benchmark by 40 bps. YTD, the Fund is up 3.05%, underperforming the benchmark by 40 bps.

Developed markets had a strong January with S&P 500, MSCI Europe and MSCI Japan rising by 6.3%, 6.8% and 4.7% in local currency terms. Headline inflation continued to ease for US and Europe. The Fed delivered 25bps rate hike as expected. The US 10y Treasury yield declined to 3.5% at the time of writing as market expects the Fed to pause soon. Growth outperformed Value stocks for US. ECB delivered 50bps rate hike and Bank of Japan maintained its easing monetary policy. The US Dollar continued to weaken with Euro strengthening and Japanese Yen flat.

Economic data continued to diverge between Europe and US with Europe economic growth staying resilient. Europe Manufacturing PMI continued to rebound with falling gas prices. Euro Area Services PMI has rebounded to above 50. Inflation is moderating from 9.2% to 8.5% in January. On the other hand, US and Japan Manufacturing PMIs were still in contraction reflecting weak demand. Cooling US housing market is confirmed with declining S&P/Case Shiller 20-city composite index. US inflation came in lower for both headline and core, but it's important to watch the core services ex-shelter portion that is driven by the labor market dynamics. For now, US labor market remained tight with January non-farm payrolls much stronger than expected and unemployment rate declining to 3.4%. Forward 12-month corporate earnings are revised down for US and remained flat for Japan. Europe earnings were revised up strongly.

We maintain our overweight position for Europe because of its resilient economic growth and falling inflation. Sentiment improved for Europe as the region may avoid a deep economic recession. It is also supported by positive forward earnings revisions and favorable valuation. We maintain a neutral allocation to Japan. With US inflation likely to peak and so is Fed's rate hiking cycle, we expect Japanese yen could stop depreciating and therefore, we have exited the currency hedged Japan ETF. We keep our overweight position in US and that's mainly in commodity ETFs which we expect to benefit from China economic recovery.

## RISKS

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

<b>Market risk</b>	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.
<b>Stock specific risk</b>	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.
<b>Country risk</b>	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.
<b>Currency risk</b>	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.
<b>Fund manager's risk</b>	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 January 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.