

### 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.

### INVESTMENT STRATEGY & APPROACH

Please refer to the Master Fund Fact Sheets at <https://www.sunlifemalaysia.com/insurance-and-takaful/investment-linked-fund/yearly-fund-fact-sheet/> for more information on the Investment Strategy and Approach for the target fund.

### FUND DETAILS

Launch Date	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	33.48 million units (30 August 2024)	Fund Size	RM86.00 million (30 August 2024)
Unit NAV	RM2.5628 (30 August 2024)	Target Fund	Principal Global Titans Fund- Class MYR
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	42% S&P500 + 36% MSCI Europe + 12% MSCI Japan + 10% CIMB Bank 1-Month Fixed Deposit Rate	Frequency and Basis of Unit Valuation	The unit price is determined daily based on value of the holdings in the target fund, net of expenses, divided by the total number of units in that fund
Target Market	Suitable for investors: <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>	Fund Management Charge	<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 Investment Schemes	Equities	Cash
Minimum 50% and up to 98% of Net Asset Value (NAV)	Up to 50% of NAV	The remaining balance of funds NAV

# Sun Life Malaysia Global Titans Fund

August 2024



## SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	86.49%
Information Technology	7.57%
Industrials	1.13%
Utilities	4.81%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	25.69%
iShares Core MSCI Europe ETF (Europe)	15.55%
JP Morgan Europe REI ESG UCITS (Europe)	8.58%
NEXT FUNDS TOPIX ETF (Japan)	6.73%
JP Morgan US REI Equity ESG (United States)	5.52%
Principal GLB - EUR EQ-INS ACC (Europe)	5.49%
FTGF ClearBridge - US Large Cap (United States)	5.47%
JPMorgan Europe Strategic Growth Fund (Europe)	4.74%
JPMorgan US Growth Fund (United States)	4.52%
NEXT FUNDS TOPIX Banks ETF (Japan)	4.20%
Total	86.49%

## PERFORMANCE RECORD

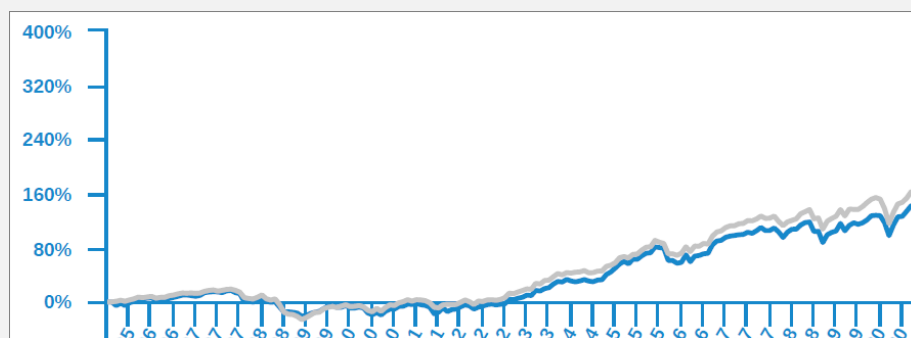
This fund feeds into Principal Global Titans Fund - Class MYR ("target fund") with the objective to achieve medium to long-term in an equity fund that invests in the global titans market of the US, Europe and Japan with an exposure to Malaysian equities market to balance any short term volatilities.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 30 August 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	7.21	-3.48	-1.09	11.23	15.50	58.89	156.28
<b>Benchmark</b>	8.04	-3.02	0.56	13.21	23.89	72.40	183.14

\* Calculation of past performance is based on NAV-to-NAV

Graph Below shows the historical performance of the underlying collective investment schemes (CIS) for calendar year returns:



Source: Lipper

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## FUND MANAGER'S COMMENTS

The Fund declined by 1.64% in July, underperforming the benchmark by 121bps. YTD, the Fund is up 11.08%, outperforming the benchmark by 33bps.

July was a volatile month for developed market equities, with the S&P 500 and MSCI Europe each rising by 1.2%, while MSCI Japan declined by 1%, all in local currency terms. The US inflation rate came in lower than market expectations, leading the market to start pricing in the first Fed rate cut as early as September. In early August, further jobs data from the US suggested a cooling labor market, triggering concerns about the US economic outlook. The US equity market broadened out, with small-cap stocks outperforming large-caps. Meanwhile, the Bank of Japan increased its policy rate to 0.25% and will start to reduce its monthly purchases of Japanese Government Bonds. Consequently, the Dollar Index declined by 1.7%, the Euro strengthened by 1%, and the Japanese Yen appreciated by 6.8% in July. The 10-year Treasury yield declined to 3.84% at the time of writing.

US headline inflation moderated to 3% in June, with core inflation slowing to 3.3%, both below market expectations. Notably, shelter inflation, a main contributor to persistent inflation, began to moderate MoM. The US economy, while still resilient, showed signs of softening, with the ISM Manufacturing PMI falling to 46.8, below market expectations, although the Services PMI rebounded and continued to expand. The labor market also exhibited softness, as non-farm payrolls and job openings came in lower than expected. The unemployment rate ticked up slightly, accompanied by a modestly higher labor participation rate. Additionally, average hourly earnings were softer, coming in below consensus forecasts. Preliminary estimates indicate that Euro Area economic growth expanded by 0.3% QoQ in Q2, though there were discrepancies among different economies: the German economy contracted by 0.1% while the French economy expanded by 0.3% QoQ. Final inflation in the Euro Area continued to moderate in June. Europe's manufacturing PMI remains in contraction, and the services PMI weakened slightly, though it remains in expansion territory. Japan's Manufacturing PMI dipped into contraction due to a reduction in new orders. The services PMI rebounded to 53.7, reflecting improved customer numbers and demand conditions. Both headline and core inflation remained above BOJ's 2% target. Wage growth also continued to be strong.

Despite some softness in consumers and the labor market, economic growth is slowing only modestly, maintaining the overall resilience narrative. This economic strength, even if slightly downshifting, supports a positive backdrop for corporate earnings. Expectations of Fed rate cuts, easing inflation and valuation dispersions support a broadening out of risk appetite and earnings growth. We have temporarily brought US to Neutral while increasing allocation to cash and off-benchmark exposure that we expect to outperform during US equity sell-off. As sector rotation continues, sectors that have performed well, such as large-cap technology stocks, are likely to underperform. We are assessing opportunities to reposition the portfolio. We are assessing opportunities to reposition the portfolio. Maintain Underweight in Europe and Overweight in Japan. Despite incremental positive economic surprises in Europe, both economic and earnings growth expectations fall short of those in the US. In Japan, the fundamental themes of reflation and ongoing corporate governance reforms remain intact. Valuations for MSCI Japan have become very attractive after a sharp sell-off exacerbated by technical dynamics and margin calls. According to our internal valuation metrics, MSCI Japan is trading at a mid-cycle P/E of a 21% discount versus a 1.3% premium in June. P/B-ROE valuation is at a 21% discount compared to a historical average of a 5.6% premium. We maintain the view that policy normalization in Japan will be gradual, with monetary policy remaining accommodative as real interest rates stay negative, barring a hard landing in US economy.

## 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 :** *30 August 2024*

#### **Disclaimer:**

This is strictly the performance of the investment fund, and not the returns earned on the actual premiums paid of the investment-linked product. Past performance of the fund is not an indication of its future performance. 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.