

### 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	27.29 million units (30 October 2020)	Fund Size	RM46.87 million (30 October 2020)
Unit NAV	RM1.7176 (30 October 2020)	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	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>	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

Equities (Foreign)	Mutual Fund	Cash
62.76%	27.75%	9.49%

#### SECTOR ALLOCATION OF THE TARGET FUND

SPDRS&P 500 ETF	37.18%
IShares Core MSCI Eur ETF EUR Dist	16.90%
Principal GLB EUR EQ-INS ACC	10.30%
JPM Europe Strategic Growth Fd	9.08%
TOPIX ETF	8.67%
Legg Mason GLB - US Large Cap	4.67%
JPM Japan Yen Fund	3.71%
Cash	9.49%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Facebook Inc	6.97%
Apple Inc	6.49%
Microsoft Corp	5.14%
Toyota Motor Corp	3.30%
Sony Corporation	2.40%
Softbank	2.30%
Keyence Corporation	1.90%
Nestle S.A.	1.55%
Nintendo Co. Ltd	1.50%
Alphabet Inc.	1.42%
Total	32.97%

#### PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund (“target fund”) with the objective to achieve medium to long-term capital gains by investing into the US, Europe and Japan equities while having some Malaysia equities exposure to counter the short-term volatility in the global equities markets.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 30 October 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
<b>Fund*</b>	0.38	-2.83	6.64	3.31	9.41	26.94	71.76
<b>Benchmark</b>	-3.04	-3.38	6.06	-0.11	8.64	29.08	71.19

\* 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 (Class MYR) declined by 2.83% during the month of October 2020, outperforming the benchmark by 55 bps. Year-to-date, the Fund increased by 38bps, outperforming the benchmark by 342 bps.

MSCI US, Europe and Japan returned -2.6%, -5% and -2.5% respectively in October, giving back early gains as a new wave of infections started surging in US and Europe. US daily new cases increased to more than 100k but so far it has not weighed on the economic reopening as the primary focus is the contested election results. Europe daily new cases reached record highs which triggered countries including Italy, France, Spain and Germany to impose new lockdowns. The Dollar Index gained 0.16%, Euro depreciated by 0.6% and the Japanese Yen appreciated by 0.8%.

Economic activity represented by PMI continue to improve across developed markets. Japan's recovery is lagging with PMI still in contraction zone. US PMI momentum is slowing slightly with unemployment rate and weekly initial jobless claims still hovering at high levels. The next 12-months corporate earnings are revised higher across all developed markets. The scale of a new fiscal package in US depends on the outcome of the election, which is still highly uncertain. Central banks will remain supportive in monetary policy. The Fed's shift in monetary policy strategy from flexible inflation targeting to average inflation targeting reaffirmed our belief that interest rates will stay low for longer. US valuation has come down to historical long-term mean after market correction.

We remain neutral on all developed markets as we expect short-term market volatility to remain high on the scale and scope of the policy support and surging infections in US and Europe even though death rates have remained low. The second wave of lockdowns in Europe may put pressure on economic activities in the region. We are neutral Japan because of its lagging economic recovery. We maintain our view that the global economy should continue its recovery over the next 12 months, despite near term uncertainties. We think the resurgence of virus cases would be contained by better preparedness, expanded testing capabilities and targeted contact tracing. Positive vaccine news could further lift market concerns. Markets will continue to be supported by low interest rates and ample liquidity.

## RISKS

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

<p><b>Market risk</b></p>	<p>Market risk is the risk of negative movement that affects the price of all assets in a particular capital market. The factors influencing the performance of the markets include:</p> <ul style="list-style-type: none"> <li>• Economic and financial market conditions</li> <li>• Political change</li> <li>• Broad investor sentiment</li> <li>• Movements in interest rate and inflation</li> <li>• Currency risks</li> </ul> <p>Stock values fluctuate in response to the activities and performance of individual companies and general market or economic conditions. Such movements in the underlying values of the share of the investment portfolio will cause the NAV or prices of units to fall as well as rise. Market risk is mitigated through careful selection of securities and diversification through spreading of risk across a basket of assets and/or sectors.</p>
<p><b>Security risk</b></p>	<p>Security risk applies to individual companies or securities. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market. The risk is mitigated by the fund manager's periodic research and analysis on all the underlying securities held by the fund.</p>
<p><b>Foreign Currency risk</b></p>	<p>This risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investors should be aware that if the RM appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the NAV of the Fund and vice versa. Investors should note that any gains or losses arising from the movement of the foreign currencies against its home currency may therefore increase/decrease the capital gains of the investment. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The risk is mitigated through a combination of fund's exposure into the U.S, European, Japanese and Malaysia equities.</p>
<p><b>Credit risk</b></p>	<p>The risk of loss of principal or loss of a financial reward stemming from counterparty's failure to repay a loan or otherwise meet a contractual obligation. This risk is primarily applicable to the liquid assets of this fund. Credit risk is mitigated by fund manager's periodic reviews and analysis.</p>
<p><b>Country risk</b></p>	<p>A fund investing in foreign countries may be affected by risks specific to the countries in which it invests. Such risks include changes in the country's economic fundamentals, social and political stability, currency movements and foreign investment policies. These factors may have an impact on the prices of the Fund's investment in that country and consequently may also affect the fund's NAV and its growth. To mitigate this risk, the fund manager will diversify securities investment that spread across various countries.</p>

Source : *Principal Asset Management Bhd*

Date : *30 October 2020*

### 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.