

### 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	31.35 million units (30 April 2024)	Fund Size	RM81.36 million (30 April 2024)
Unit NAV	RM2.5952 (30 April 2024)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Global Titans Fund- Class MYR
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

Mutual Fund	Equities (Foreign)	Cash
84.97%	10.68%	4.35%

## SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	84.97%
Information Technology	4.74%
Industrials	1.83%
Materials	1.18%
Consumer Discretionary	1.12%
Consumer Staples	1.06%
Health Care	0.75%
Cash	4.35%
<b>Total</b>	<b>100.00%</b>

## TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	30.83%
iShares Core MSCI Europe ETF (Europe)	15.85%
NEXT FUNDS TOPIX ETF (Japan)	10.56%
JP Morgan Europe REI ESG UCITS (Europe)	6.83%
JPMorgan US Growth Fund (United States)	4.46%
JPMorgan Europe Strategic Growth Fund (Europe)	3.37%
FTGF ClearBridge - US Large Cap (United States)	2.82%
Principal GLB - EUR EQ-INS ACC (Europe)	2.74%
JP Morgan US REI Equity ESG UCITSETF (United States)	2.70%
NEXT FUNDS TOPIX Banks ETF (Japan)	2.17%
<b>Total</b>	<b>82.33%</b>

## 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 April 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	8.57	-2.32	16.71	19.99	25.14	60.32	159.52
<b>Benchmark</b>	8.06	-2.21	18.08	21.40	33.31	72.49	183.18

\* 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 declined by 2.32% in April, underperforming the benchmark by 11 bps. YTD, the Fund is up 8.57%, outperforming the benchmark by 0.5%.

In April, developed market equities experienced a correction amidst global risk-off sentiment driven by concerns that there will be no rate cuts by the Federal Reserve this year because of hotter-than-expected US inflation figures and the continued resilience of the US economy. Additionally, Middle East tensions and rising oil prices contributed to the overall risk-off sentiment. S&P 500, MSCI Europe and MSCI Japan index declined by 4.2%, 1.5% and 1.1% respectively, in local currency terms. The 10-year Treasury yield increased to 4.7% at the peak before moderating to 4.5% at the time of writing. The U.S. Dollar strengthened by 1.6%, while Euro remained stable and Japanese Yen depreciated by 1.06%, potentially supported by the suspected currency interventions.

US inflation exceeded expectations in March, with headline inflation reaching 3.5% and core inflation at 3.8%. Significant contributors to the monthly headline inflation increase were shelter and gasoline prices. However, some sectors of the economy showed potential signs of cooling. Q1 GDP growth for 2024 was 1.6%, lower than both consensus estimates and the previous quarter's growth of 3.4%. Notably, consumer spending saw a slowdown, primarily driven by a decrease in goods consumption, while spending on services accelerated. The US manufacturing PMI dropped to 50, although services PMI remained above 50.

The disinflation trend continued in Europe as April headline inflation stayed at 2.4%, with core inflation slowing to 2.7%. Manufacturing PMI continued to slow down while services PMI reached a new high. However, there are no clear signs of improvement in industrial production and retail sales, both in contraction.

Japan's manufacturing PMI improved to 49.6 with services PMI continued to increase to 54.6. March inflation moderated to 2.7% with inflation ex-Energy and Food moderated to 2.9%. The March retail sales declined to 1.2% mainly due to weak sales of automobiles and textiles & clothing. Consumer confidence moderated in April with weak household sentiment towards durable goods purchase and overall livelihood.

Maintain a Slight Overweight in US and a Slight Underweight in Europe. Despite incremental positive economic surprises in Europe, both economic and earnings growth expectations fall short of those in the US. Interest rate differentials support a stronger dollar until there are clearer signs that inflation is consistently moderating towards the Fed's 2% target. Maintain Overweight Japan. Despite currency market volatility, the fundamental themes of reflation and ongoing corporate governance reforms remain intact. Corporate earnings growth continues to be revised higher. Despite the rally since 2023, Japan's equity valuation remains reasonable. The BOJ's removal of the reference amount for JGB purchases in the latest monetary policy meeting opens the possibility of future reductions of JGB purchases. However, any policy normalization is likely to be gradual to avoid sudden increases in JGB yields. Suspected FX interventions by the Ministry of Finance potentially cap USD/JPY. However, if interventions fail to prevent further Yen weakening, the BOJ may need to increase interest rates to support the Yen, especially if US interest rates remain high.

**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 April 2024*

#### **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.