

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.

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	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	7.93 million units (30 August 2024)	Fund Size	RM9.21 million (30 August 2024)
Unit NAV	RM1.1607 (30 August 2024)	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	MSCI All Country World Index	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	<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 are prepared to accept moderate level of volatility 	Fund Management Charge	<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

Master fund	Deposits, money market instruments and / or held in cash
Minimum of 85% Net Asset Value (NAV)	Maximum of 15% of NAV

SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	27.64%
Financials	20.99%
Information Technology	20.34%
Industrials	19.23%
Utilities	7.16%
Communication Services	3.17%
Materials	0.23%
Cash & Others	1.24%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	4.76%
Johnson Controls International plc	4.57%
Taiwan Semiconductor Manufacturing Co.	4.44%
Novo Nordisk A/S Class B	4.36%
Mastercard Incorporated Class A	4.05%

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 30 August 2024:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	9.07	-2.04	-1.38	1.47	11.23	N/A	16.07
Benchmark	9.43	-3.50	-2.09	0.95	15.51	N/A	20.48

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

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

(%)	2023	2022	2021
Target Fund	28.10	-13.25	5.73

FUND MANAGER'S COMMENTS

The MYR Class B returned -2.04% in August outperforming MSCI ACWI by 162 bps. Allocation contributed 80bps to performance driven by the overweight to Healthcare and underweight Consumer Discretionary, with selection making up the remainder coming from both Financials and Industrials. The strategy performed particularly well towards the beginning of the month when markets fell sharply on the back of weaker macroeconomic data from the United States and a sharp unwinding of the JPY carry trade. This performance underlines how well the strategy is positioned to outperform when markets do consolidate and the extreme narrowness seen over the past almost two years' reverses.

The top contributors to performance were Tetra Tech (+12%) and Boston Scientific (+11%). Tetra Tech continues to deliver outstanding results that reflect its superb positioning to benefit from increased infrastructure and sustainability related spending which has long been overdue but is finally being catalysed by the IJJA and IRA. Boston Scientific benefitted from a flight to the safety of the healthcare sector through the month in addition to positive news flow around Farapulse. The greatest detractors were ASML (-2%) and Alphabet (-5%) with both stocks being dragged down by a prior winner, tech led sell off towards the beginning of the month.

Impact Focus of the Month:

The primary focus of the Global Sustainable Equity team on the 'sustainability' side of our approach is on real world impact and seeking to achieve this through both investment and engagement. Whilst we do utilise external data providers to support our own analysis, our proprietary scores, assessments and views are very much driven by our own proprietary view of what makes a sustainable business both from a financial materiality and on financial / real world impact. The team have long been sceptical of the low correlation between external ESG provider ratings, the subjective nature and adequacy of some of the analysis and the fact that non-financial/ real world impact is not given the credit that it deserves or that we ascribe to it. However, one game changer over the past few years has been regulation. To be clear the Global Sustainable Equity team very much support the fact that the sustainable space needs regulation following a number of missteps by the industry, and we are very sympathetic to the difficulties faced with respect to balancing multiple stakeholders. That said, it is also the view of the team that recent EU regulations is overly prescriptive in places, does not place enough weight on social impact and misses certain nuances.

With further new rules set to hit 'sustainable' funds in Europe over the coming months the team have been digging further into new external regulatory data sets offered by providers. We have been concerned by the adequacy of certain EU regulation-related datasets and furthermore been alarmed by how this is impacting investment activities across the industry. As one example, we found that one data provider had used a methodology and estimates that were too simplistic for one new rule that is coming into place that was leading to a false negative for a company with regard to being investible for sustainable funds. The methodology has later been improved and updated and the company no longer failed on this metric. It is our view however that data providers are underestimating the potential influence they have on investment activities. Their scores are not just information used by asset managers anymore but are directly driving and in some cases forcing investment decisions when used as tools to assist regulatory compliance. In the aforementioned example, some broker reports took this certain data provider's analysis and published that the stock would come under selling pressure as it could no longer be held by 'sustainable' funds under new ESMA names rules. It is the team's view that data providers themselves need to be appropriately regulated and held to account for their approaches with regards to sustainability regulation. As always this is a stark reminder that focusing on real world impact remains in the team's view the most appropriate way to tackle the ever evolving sustainable investment landscape.

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

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:

- 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; and
- iii) 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 : 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.