

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	34.01 million units (30 June 2023)	Fund Size	RM78.71 million (30 June 2023)
Unit NAV	RM2.3145 (30 June 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"> Have a medium to long term investment horizon Target capital appreciation Do not require regular income Comfortable with higher volatility Willing to take higher risk for potential higher gains 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Titans Fund. Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Mutual Fund	Equities (Foreign)	Cash
92.53%	1.54%	5.93%

SECTOR ALLOCATION OF THE TARGET FUND

SPDR S&P 500 ETF Trust	32.95%
IShares Core MSCI Europe ETF EUR Dist	27.65%
TOPIX ETF	9.23%
Others	7.60%
JPMorgan Japan Yen Fund USD (Hedged)	6.14%
JPMorgan Funds – US Growth Fund	3.75%
iShares Asia 50 ETF	2.50%
TOPIX Banks ETF	2.13%
FTGF ClearBridge US Large Cap Growth	2.12%
Cash	5.93%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Apple Inc (United States)	3.02%
Microsoft Corp (United States)	2.79%
Amazon.com Inc (United States)	1.37%
Alphabet Inc (United State)	1.36%
LVMH (France)	1.35%
NVIDIA Corp (United States)	1.28%
Nestle SA (Switzerland)	1.02%
ASML Holding NV (Netherlands)	0.93%
Novo Nordisk A/S (Denmark)	0.87%
Mitsubishi UFJ (Japan)	0.85%
Total	14.84%

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 30 June 2023:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	17.59	5.20	17.59	21.08	36.18	48.77	131.45
Benchmark	19.59	6.04	19.59	24.41	46.13	62.10	150.68

* 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 5.20% in June, underperforming the benchmark by 84 bps. YTD, the Fund is up 17.59%, underperforming the benchmark by 200 bps.

S&P500, MSCI Europe and MSCI Japan increased by 6.6%, 2.4% and 7.7% respectively MTD in local currency terms. The US Dollar weakened by 1.36%. Euro appreciated by 2% following a more hawkish ECB and expectations for more rate hikes. Japanese Yen depreciated by 3.6% on a dovish BOJ. The 10y Treasury bond yield increased to 4.04% at the time of writing with expectation of more rate hikes from the Fed. Manufacturing PMIs continued to contract across all developed markets. However, services PMIs have held up well in expansion zone. With strong labor market and sticky core inflation in US, Europe and UK, the Fed, ECB and BOE will continue increasing interest rates and keeping monetary policy restrictive to bring down inflation. Forward 12-month corporate earnings continued to be revised up across all developed markets.

Manufacturing PMIs weakened for US and dipped to a new low for Europe but improved for Japan. On the other hand, services PMIs have held up well across all developed markets. The US job market remains strong although wage growth continues to moderate. The latest PCE inflation indicator shows inflation is sticky. With labor market remaining resilient, the Fed is likely to keep rates high for longer. Forward 12-month corporate earnings are revised down for Europe but remains positive for US and Japan. Almost all sectors in US are seeing positive earnings revisions expect for Energy and Materials.

We are Underweight US, Slight Underweight Europe and Overweight Japan. US and Europe economic growth is likely to weaken moving into 2H23 as higher interest rates and tight lending conditions impact business and consumers. Our base case is a mild recession in US and corporate earnings would come under pressure. Given the expensive valuation, extremely narrow market and still positive earnings revision, the risk of a correction is higher for US. On the other hand, Japan economy is benefiting from a delayed COVID reopening with incoming tourists, consumption recovery and a potential exit from deflation. Corporate governance is improving with increasing share buybacks. If the inflation target is met, BOJ could exit the Yield Curve Control policy, which should be positive for Japan banks.

RISKS

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

Market risk	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.
Stock specific risk	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.
Country risk	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.
Currency risk	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.
Fund manager's risk	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 June 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.