

### 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	19.95 million units (30 September 2019)	Fund Size	RM32.48 million (30 September 2019)
Unit NAV	RM1.6283 (30 September 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB 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

Mutual Fund	Cash
91.02%	8.98%

#### SECTOR ALLOCATION OF THE TARGET FUND

Legg Mason Global Funds - US Large Cap	32.29%
Schroder – ISF Euro Equity USD - A	26.87%
Schroder – ISF Japanese Opps USD A Acc	12.17%
Schroder -ISF US Large Cap A Acc	10.03%
Principal GLB – EUR EQ-INS Acc	9.66%
Cash	8.98%
Total	100.00%

#### TOP HOLDINGS OF THE TARGET FUND

Alphabet Inc.	4.77%
Itochu	4.40%
Amazon.com Inc Orix	4.39%
Visa Inc.	4.39%
Orix	4.30%
Sumitomo Mitsui Financial Group	3.70%
Microsoft Corp	3.68%
Sanofi	3.67%
Facebook Inc	3.57%
C Uyemura	3.30%
Total	40.17%

#### PERFORMANCE RECORD

This fund feeds into CIMB 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 September 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	14.63	0.95	1.80	5.67	-0.10	26.57	62.83
<b>Benchmark</b>	15.99	1.83	1.53	6.32	1.86	29.18	67.29

\* 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) increased by 0.95% during the month of September 2019, underperforming the benchmark by 88 basis points (bps). Year-to-date, the Fund rose 14.63%, underperforming the benchmark by 136bps.

MSCI US, Europe and Japan increased by 1.63%, 3.67% and 5.06% in September. The ECB announced a bond buying program and there was speculation that that BoJ will take negative interest rates lower. The US stock market declined towards the end of September after the Chinese trade officials cancelled their visits to a U.S. farm, overshadowing the Fed's rate cut and dovish outlook. The Dollar Index strengthened by 0.5%. Euro appreciated by 0.8% and Japanese Yen depreciated by 1.7% against the US Dollar, respectively.

U.S. manufacturing PMI is moderately higher at 51 in September, mainly driven by higher domestic demand. However, export sales and external demand are still subdued. On the other hand, the latest PMI readings for Europe and Japan are showing persistent weakness in economic growth. On earnings forecast, MSCI US EPS estimate is revised up by 0.5% from last month. On a 3-month basis, US EPS forecast has been revised up by 1.1%. Europe EPS estimate is downgraded by 3.2% on a 3-month basis. Japan EPS estimate is stable. US equity valuation is expensive with MSCI US trading at 19% premium compared to its long-term mean of 12% premium, based on P/B-ROE valuation. MSCI Europe is trading at 10% discount vs. its long-term mean at 7% discount. Japan equity valuation is favorable with MSCI Japan trading at a 19% discount compared to its long-term mean of 11% premium.

While global growth continues to slow as evidenced in the PMI readings, central banks in developed markets have been able to cut interest rates in the absence of inflation. The upcoming meeting between officials from US and China would set the tone for trade and economic outlook for the next year. We are neutral in US because of its relative stronger economic stance and earnings outlook, despite its higher valuation. We are underweight Europe because of the weaker economic outlook and downward earnings revision. We are neutral in Japan because of the favorable valuation, stable earnings forecast despite slightly lower PMI reading.

**Source :** *Principal Asset Management Bhd*  
**Date :** *30 September 2019*

### **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.