

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	32.77 million units (29 December 2023)	Fund Size	RM78.35 million (29 December 2023)
Unit NAV	RM2.3904 (29 December 2023)	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"> 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
85.43%	11.00%	3.57%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	85.43%
Information Technology	2.73%
Consumer Discretionary	1.93%
Industrials	1.83%
Consumer Staples	1.60%
Energy	1.30%
Health Care	0.82%
Materials	0.80%
Cash	3.56%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDR S&P 500 ETF (United States)	33.77%
iShares Core MSCI Europe ETF (United Kingdom)	29.11%
NEXT FUNDS TOPIX ETF (Japan)	9.54%
FTGF ClearBridge US Large Cap Growth (Ireland)	5.04%
JPMorgan Funds - US Growth Fund (Luxembourg)	2.88%
NEXT FUNDS TOPIX Banks ETF (Japan)	2.00%
Fast Retailing Co Ltd (Japan)	1.93%
Samsung Electronics Co. Ltd (United States)	1.67%
L'Oreal (France)	1.60%
Shell PLC (United Kingdom)	1.30%
Total	88.84%

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 29 December 2023:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	21.44	2.20	3.28	21.44	25.73	68.28	139.04
Benchmark	25.01	2.90	4.53	25.01	35.51	81.76	162.06

* 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 decreased by 2.20% in December, underperforming the benchmark by 70 bps. YTD, the Fund is down by 21.44%, underperforming the benchmark by 357 bps.

S&P500 and MSCI Europe continued to deliver positive returns in December following the softer inflation data and the latest FOMC meeting which indicated three rate cuts in 2024. Notably, the market was pricing in six rate cuts by the Fed in 2024. Consequently, the 10-year Treasury yield declined to 3.79% by the end of December. The U.S. Dollar depreciated by 2%, while the Euro and Japanese Yen appreciated by 1.4% and 4.8%, respectively, and Gold price rallied during the month. The strength of the Yen resulted in a 0.5% decline in MSCI Japan in local currency terms.

Recent data signaled a cooling of the US labor market. In December, the 3m average nonfarm payroll was +165k/month vs +180k/month in Nov. The job openings and quits continued to ease, pointing to a slowdown in hiring conditions. The US manufacturing PMI declined in December while services PMI remained resilient above 50. Indicators suggest stabilization in the Euro Area's economy, with manufacturing PMI showing signs of recovery in both the Eurozone and Germany. ZEW indicators for economic growth in the Euro Area and Germany have rebounded, reflecting improved business and consumer confidence amid moderating inflation. Japan's Manufacturing PMI dropped due to weak demand from China, Europe, and the U.S. However, domestic conditions are improving, evidenced by better retail sales and consumer confidence.

Strategy: Upgrade US to Neutral. With inflation gradually rolling over, the Fed has hinted at peak interest rates and potential cuts in 2024. A meaningful equity pullback seems unlikely in a soft-landing scenario. US equities should emerge stronger in 2H24 with continued disinflation finally allowing the Fed to start monetary easing amid economic recovery following the soft-landing. Upgrade Europe to Neutral, considering resilient earnings revisions and signs of stabilization in the region's economy. With valuations depressed below historical averages, significant downside to the market appears limited. Maintain Overweight Japan. Despite Japan experiencing some economic slowdown, there are increasing signs that inflation and wage increases may be sustainable in 2024. Sustainable nominal wage growth is expected to lift household real income and support a virtuous cycle between wage and price increases. This may lead to the BOJ exiting its Negative Interest Rate Policy, although the shift is anticipated to be gradual to prevent market disruption. Despite short-term volatility in currency markets, Japan remains attractive with corporate governance reforms and a virtuous cycle between wage and price increases as the key drivers.

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 : *29 December 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.