

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.

FUND DETAILS

Launch Date	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	10.05 million units (28 February 2023)	Fund Size	RM9.39 million (28 February 2023)
Unit NAV	RM0.9337 (28 February 2023)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Target Fund	Nomura Global Sustainable Equity Fund
Benchmark	MSCI All Country World Index	Taxation	8% of annual investment income
Risk Profile	<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; or ▪ are prepared to accept moderate level of volatility. 	Fees	<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

Equity Fund	Cash and Others
99.12%	0.88%

Sun Life Malaysia Global Sustainable Fund

February 2023



SECTOR ALLOCATION OF THE TARGET FUND

Information Technology	28.01%
Health Care	24.78%
Industrials	16.50%
Financials	11.10%
Utilities	6.89%
Communication Services	4.40%
Consumer Staples	3.58%
Materials	3.49%
Cash & Others	1.24%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Mastercard Incorporated Class A	4.16%
Thermo Fisher Scientific Inc.	4.12%
Microsoft Corporation	3.90%
Johnson Controls International plc	3.72%
NextEra Energy, Inc.	3.65%

PERFORMANCE RECORD

This fund feeds into Nomura Global Sustainable Equity Fund ("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 28 February 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	3.68	2.16	1.50	2.29	-1.72	N/A	-6.63
Benchmark	5.85	2.06	0.60	2.87	-3.68	N/A	-5.63

* 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

Following a very strong start to 2023, markets consolidated through February as robust labour market data drove investors to reconsider the extent to which Central Banks will have to continue to tighten – expectations for the Federal Reserve (Fed)'s terminal rate rose from 4.92% to 5.42% – and the resulting risk of policy error. Selection was negative over the period coming predominantly from Technology whilst sector allocation was modestly positive.

Impact Focus of the month: The team have initiated a position in Boston Scientific, a medical device business that operates in four main markets: interventional cardiology, endoscopy, urology and pelvic health, and neuromodulation. Boston Scientific is aligned with the team's mitigate the obesity epidemic impact goal primarily through its interventional cardiology business and has pioneered far less invasive methods of cardiac treatment.

Top contributors to performance were Novo Nordisk (+3%) and Daikin (-1%). Novo Nordisk delivered a very bullish update to investors at their full year earnings update and are confident that their supply chain issues for Wegovy have now subsided and will allow them to deliver on the extraordinary growth in demand that is coming through. Daikin reported solid results for its fiscal 3Q results, boosting guidance for the full year as sales continue to track higher than had been expected, and the team remain positive on the potential for the margin to start to recover as China – its highest margin business – continues to reopen and recover.

Top detractors were Johnson Controls (-10%) and Adobe (-13%). Over the quarter it was reported that the Department of Justice (DoJ) is preparing an antitrust lawsuit that will seek to block Adobe's acquisition of Figma. Whilst the team would certainly prefer for the deal to progress and acknowledge that the DoJ lawsuit creates both uncertainty for investors and complications for Adobe given it will have to take decisions around its own R&D plans within the space, it is expected that Adobe would instead pursue a very significant share buyback programme should the deal ultimately not proceed. Johnson Controls introduced guidance that was modestly below that of the street, and the stock underperformed as a result of how positive investors had been coming into the earning, however the team view the guidance as very conservative with management not wanting to over commit given the uncertainty around the macro economic backdrop in 2023.

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 : 28 February 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.