Sun Life Malaysia
Global Sustainable Fund
November 2023

Sun Life

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	8.80 million units (30 November 2023)	Fund Size	RM9.11 million (30 November 2023)
Unit NAV	RM1.0353 (30 November 2023)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
Benchmark	MSCI All Country World Index	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: ▪ 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	▪ 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
99.60%	0.40%

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SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	26.77%
Information Technology	20.99%
Financials	20.53%
Industrials	16.05%
Utilities	6.21%
Consumer Staples	3.33%
Communication Services	2.96%
Materials	2.53%
Cash & Others	0.63%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	4.68%
Mastercard Incorporated Class A	4.16%
Boston Scientific Corporation	3.80%
Novo Nordisk A/S Class B	3.78%
Taiwan Semiconductor Manufacturing Co Ltd	3.73%

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 November 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	14.96	4.07	-0.79	4.59	12.54	N/A	3.53
Benchmark	21.33	6.66	1.63	8.45	15.30	N/A	8.17

** 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.

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FUND MANAGER'S COMMENTS

Selection drove the underperformance and was weak across Technology, Healthcare and Financials. Dovish central bank commentary, US inflation moderating faster than had been expected and a surprise upward revision of US GDP all contributed to increased speculation that the Fed will cut faster and more aggressively with a soft or even no-landing scenario being achieved. The US ten year declined over 60bps through the month to 4.36%, which combined with a rally in risk (tightening in credit spreads) led to the best month for the Bloomberg US Aggregate Bond index since 1985 whilst the return for global equities was the fifth highest returning month in the last fifteen years. Growth (+11%) led the market higher, with Value advancing 'only' +7% however the rally was much broader than the 'Magnificent 7' dominated advance year to date.
Schneider (+20%) and SAP (+18%) were the top contributors over the month. Schneider's investor day, the first for the new CEO, and new medium term targets highlighted that the market is still not yet fully pricing in the growth and margin improvement opportunities for the company driven by exceptional support from electrification megatrend alignment. SAP rose in November on follow through from their strong Q3 results reported in October. SAP grew current cloud backlog 25% in Q3 which was better than expected; the market was fearing a slowdown in this metric given a weaker macro backdrop, but demand related to the upgrade cycle for their core ERP software called S/4HANA was enough to offset any macro weakness.

Becton Dickinson (-7%) and Cisco (-7%) were the largest detractors. Cisco fell sharply on results after the company took down FY7/24 revenue growth guidance by more than 500bps. Order growth has remained weak as supply chain constraints have eased and inventory correction following normalisation post the pandemic has finally caught up with the company. Whilst management communication around this has been poor we do not currently view this as anything more severe than a reset year before returning to trend growth. Becton Dickinson also disappointed investors with its guidance driven primarily by FX headwinds that will be significantly higher than the market had anticipated.

Impact focus of the month: Nomura Asset Management U.K. Ltd (NAM UK) was delighted to recently co-host the launch of Access to Medicine Foundation's important work on the role that generic drug manufacturers have to play in supporting access. Benjamin Lacaille, Healthcare Analyst and Back Up Portfolio Manager, contributed to a fascinating panel discussion on the issue. The discussion identified specific opportunities and six key takeaways have been published in the meeting report, which is available to download here: Investor launch event for new analysis of major generics companies – Meeting Report.

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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 November 2023