Sun Life Malaysia
Global Sustainable Fund
October 2023

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	8.63 million units (31 October 2023)	Fund Size	RM8.59 million (31 October 2023)
Unit NAV	RM0.9948 (31 October 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
99.13%	0.87%

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SECTOR ALLOCATION OF THE TARGET FUND	
Health Care	27.44%
Financials	20.39%
Information Technology	20.25%
Industrials	15.67%
Utilities	6.38%
Consumer Staples	3.40%
Communication Services	2.98%
Materials	2.74%
Cash & Others	0.76%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	4.50%
Mastercard Incorporated Class A	4.05%
Novo Nordisk A/S Class B	3.77%
Boston Scientific Corporation	3.72%
UnitedHealth Group Incorporated	3.55%

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 31 October 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	10.46	-0.92	-3.62	2.03	9.46	N/A	-0.52
Benchmark	13.75	-1.64	-4.86	3.82	9.41	N/A	1.42

** 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

Long term interest rates pushed even higher over the month with the US ten year breaching 5% intra month for the first time since 2007 before finishing at 4.92% despite a flight to safety following the severe escalation of geopolitical tension in the Middle East. Against this back drop quality outperformed meaningfully over the month.

Impact focus of the month: 2023 has been another very tough year for Sustainable and Impact orientated funds as despite the outperformance of Growth – to which the majority of Funds are overweight – the narrowness of the market rally concentrated across Mega Cap Tech has been a large headwind and a number of impact areas most notably renewables have performed exceptionally poorly this year. The team believe that whilst clearly the macro economic backdrop has created a perfect storm for many of these businesses there was clearly a perception that these businesses and management teams (that had benefitted from perfect conditions previously) were higher quality than they actually are and that valuation was not given enough attention in the pursuit of taking exposure to climate change mitigation megatrends. Whilst the Fund has not been entirely immune to the pain felt across the renewables space the rigorous focus on Quality and Valuation, and preference for exposure across those business supporting efficiency and electrification in which there are greater competitive advantages and far less stretched valuation levels has supported far greater protection for our clients. Indeed the team would highlight that renewables actually only account for in the region of 26% of the investment required to meet commitments to keep global warming to below 1.5oC (International Renewable Energy Agency (IRENA)) whilst efficiency, electrification and the development of power grids account for 55% of the required investment.

The top contributors were Novo Nordisk (+5%) and AiA Group (+6%). Novo Nordisk benefitted from both the update that it had stopped its Ozempic trial for kidney disease surprisingly early following signs of significant success and another very large upgrade to guidance as GLP-1 sales continue to exceed expectations, whilst AiA Group rebounded from a disproportionate sell off earlier in the year.

The greatest detractors were Thermo Fisher (-12%) and Pentair (-10%). Thermo Fisher cut 2023 guidance and gave 2024 guidance that was substantially below consensus with the macro pressures affecting the life sciences space now expected to continue well into next year. Pentair delivered a modest earnings beat and guidance raise but this was not enough for the market given the strength of the stock year to date and concerns continue to mount over the impact of higher for longer rates on residential construction.

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.

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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 : 31 October 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.

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