

### 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	33.26 million units (29 September 2023)	Fund Size	RM74.83 million (29 September 2023)
Unit NAV	RM2.2499 (29 September 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"> <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	Equities (Foreign)	Cash
87.54%	7.26%	5.20%

**SECTOR ALLOCATION OF THE TARGET FUND**

Mutual Fund	87.54%
Consumer Staples	2.08%
Information Technology	2.03%
Industrials	1.76%
Energy	1.39%
Cash	5.20%
<b>Total</b>	<b>100.00%</b>

**TOP HOLDINGS OF THE TARGET FUND**

SPDR S&P 500 ETF (United States)	35.03%
iShares Core MSCI Europe ETF EUR DIST (United Kingdom)	25.85%
NEXT FUNDS TOPIX ETF (Japan)	9.44%
NEXT FUNDS TOPIX Banks ETF (Japan)	3.72%
JPMorgan Funds - US Growth Fund (Luxembourg)	2.47%
Samsung Electronics Co Ltd GDR (RegS) (United Kingdom)	2.03%
iShares Asia 50 ETF (United States)	1.81%
Energy Select Sector SPDR (United States)	1.72%
Principal GIF - European Responsible Equity (Ireland)	1.58%
Shell PLC (United Kingdom)	1.39%
<b>Total</b>	<b>85.04%</b>

**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 September 2023:

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
<b>Fund*</b>	14.31	-2.35	6.73	20.15	27.28	38.04	124.99
<b>Benchmark</b>	16.13	-2.65	7.74	23.70	37.47	48.28	143.45

\* 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 declined by 2.35% in September, outperforming the benchmark by 30 bps. YTD, the Fund is up 14.31%, underperforming the benchmark by 182 bps.

S&P500 and MSCI Europe declined by 4.8% and 1.5% respectively MTD in local currency terms with rising bond yields. In contrast, MSCI Japan is resilient returning 0.4% MTD. The 10-year Treasury bond yield increased to 4.7% at the time of writing. With headline inflation peaked in US and Europe, the Fed paused its rate hikes during its September policy meeting. The ECB, on the other hand, increased interest rates by 25bps but indicated that it is likely done tightening policy. However, due to persistent core inflation, central banks are likely to hold rates higher for longer. The recent spike in oil prices has further added to concerns of a potential reacceleration of inflation. The exception is Bank of Japan, which maintained its accommodative monetary policy but hinted a possible exit from its negative interest rate policy in the future. The U.S. Dollar appreciated by 2.7%, while the Euro and Japanese Yen depreciated by 2.3% and 2.7%, respectively, at the time of writing.

Manufacturing PMIs are in the contraction zone across developed markets, partially because of subdued demand from China. Furthermore, Services PMIs have begun to decline in both the US and Europe. In contrast, Japan's Services PMIs exhibit persistent strength within the expansionary range. Additionally, nominal retail sales in Japan remain robust, reflecting the ongoing recovery in consumption following the pandemic-induced downturn. Early indicators pointed to a cooling but still resilient US labor market, with nonfarm payroll growth slightly below consensus, an increase in unemployment rate from 3.5% to 3.8%, and a moderation in MoM Average Hourly Earnings from 0.4% to 0.2%. US retail sales increased 0.7% MoM, exceeding market expectations of 0.4% increase.

Underweight US and Europe, Overweight Japan. Disinflationary pressures coupled with robust economic activity have created a more constructive US narrative. However, elevated valuations and restrictive monetary policy suggest further limited upside for US equity. Europe is decoupling from the broad bullish market sentiment. The deteriorating economic backdrop suggests possible downward revisions in earnings ahead. On the other hand, Japan's economy is strengthening, driving inflation and wage pressures to a healthier level. The BOJ has resisted a meaningful monetary policy shift, resulting in a continued weakening of the Japanese Yen, which is supporting corporate earnings. Furthermore, Japan provides an element of diversification given its cycle appears desynchronized from other developed markets.

## RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

<b>Market risk</b>	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.
<b>Stock specific risk</b>	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.
<b>Country risk</b>	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.
<b>Currency risk</b>	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.
<b>Fund manager's risk</b>	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 September 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.