

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	N/A (30 August 2021)	Fund Size	N/A (30 August 2021)
Unit NAV	RM1.0000 (30 August 2021)	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% pa 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
Minimum 80%	Maximum 20%

FUND MANAGER'S COMMENTS

The fund holds positions in both AXA and Allianz. Whilst the total impact of these companies is not as positive as many of the other holdings we deem it as good enough to merit positions within the fund combined with our view on quality and valuation levels. Both companies take a responsible approach to integrating ESG into their core insurance activities and have been industry leaders with regards to sustainable investing within their investment arms. Both companies also modestly support our Global Access to Basic Financial Services impact goal through the millions of customers reached with insurance solutions in emerging economies. We were very disappointed to learn over the month of a DoJ probe into Allianz specifically in relation to the Structured Alpha fund range, which sits within the Allianz Global Investors segment, and the underperformance experienced by these funds through the pandemic driven sell off in early 2020. Civil lawsuits had already been filed and an investigation has been ongoing at the SEC, however news of the DoJ investigation implies that there could be concerns beyond just performance or straying from mandates. We engaged with Allianz and have followed closely the public communication of the company, which is limited by the fact it is an ongoing investigation. We have also taken into consideration the size of Allianz Global Investors within the Allianz group and the relative size of the AuM of the strategies under investigation. We currently do not feel, given the information currently available, that Allianz is no longer 'investible' for the strategy, however, we have reassessed our 'Total Impact' score, which has come down meaningfully. Accordingly we have significantly reduced our holding and will continue to reassess the suitability of investment in the company as more information becomes available. The greatest contributors to performance were Daikin and Novo Nordisk. Daikin's quarterly results and guidance were much better than the market had expected and concerns over the headwinds that the company will face from raw material price increases, which created our initial buying opportunity in May, have moderated significantly. Novo Nordisk also delivered a very strong quarterly beat, which further supported increasing optimism around its obesity treatments franchise.

The greatest detractors to performance were payment holdings Mastercard and Fidelity Information Services. Both stocks have been hit by growing concern over the Delta variant and the impact this will have on economies reopening. There has also been an increasing focus on the growing trend of "buy now pay later", catalysed in part by Square's acquisition of Afterpay and Amazon partnering with Affirm. "Buy now pay later" customers tend to use debit cards (rather than credit cards) to make subsequent payments. Credit cards processing fees per transaction are slightly higher than debit cards, as such this will be slightly negative fundamentally but we do not believe this justifies the extent of the corrections. As such we have been adding on weakness to these positions.

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 August 2021

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.