

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	20.26 million units (31 December 2019)	Fund Size	RM34.67 million (31 December 2019)
Unit NAV	RM1.7111 (31 December 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB Principal Global Titans Fund
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"> ▪ Have a medium to long term investment horizon ▪ Target capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Titans Fund. ▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Mutual Fund	Cash
93.57%	6.43%

SECTOR ALLOCATION OF THE TARGET FUND

Legg Mason Global Funds - US Large Cap	33.14%
Schroder – ISF Euro Equity USD - A	27.56%
Schroder – ISF Japanese Opps USD A Acc	12.74%
Schroder -ISF US Large Cap A Acc	10.59%
Principal GLB – EUR EQ-INS Acc	9.54%
Cash	6.43%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Amazon.com Inc	4.95%
Facebook Inc	4.79%
Alphabet Inc.	4.74%
Itochu	4.50%
Visa Inc.	4.37%
Orix	4.20%
C Uyemura	4.00%
Microsoft Corp	3.80%
Sumitomo Mitsui Financial Group	3.70%
Sanofi	3.62%
Total	42.67%

PERFORMANCE RECORD

This fund feeds into CIMB Principal Global Titans Fund (“target fund”) with the objective to achieve medium to long-term capital gains by investing into the US, Europe and Japan equities while having some Malaysia equities exposure to counter the short-term volatility in the global equities markets.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 31 December 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	20.46	0.31	5.09	6.98	20.46	20.54	71.11
Benchmark	22.40	0.98	5.53	7.14	22.40	24.97	76.55

* 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 (Class MYR) increased by 0.31% during the month of December 2019, underperforming the benchmark by 67 basis points (bps). Year-to-date, the Fund rose 20.46%, underperforming the benchmark by 194 bps.

Developed equity markets climbed higher in December. MSCI U.S., Europe and Japan increased by 2.6%, 3.9% and 1.8% as global economic data improved and geopolitical risks moderated in the near term. All developed markets reacted positively to the progress on U.S. – China Phase One trade agreement and more clarity on Brexit resolution after Boris Johnson leading Conservative Party won majority in the general election. Euro strengthened by 1.8%. Japanese Yen depreciated by 0.8% and the U.S. Dollar Index weakened by 1.9%. Central banks ended the year with rates on hold.

Fundamentally, U.S. economy has been stronger than Europe and Japan. The latest U.S. manufacturing PMI is 52.4. Business confidence is improving following the trade truce. Job market remains robust with falling unemployment. Consumer spending is stronger and services sector is solid. Consumer confidence is also improving according to the latest University of Michigan consumer sentiment survey. On the other hand, Europe and Japan's manufacturing PMI is still in the contraction zone. On forward earnings growth, U.S. and Europe earnings growth is revised higher by 0.6% and 2%. Japan earnings growth is revised down by 1%. U.S. valuation is expensive with MSCI U.S. trading at 20% premium compared to its long-term mean at 13% premium. Europe and Japan valuation is relatively cheaper with Japan valuation the most favorable.

We expect global economic growth to accelerate in the coming quarters as global manufacturing PMI bottoms. We expect lowered market volatility as we enter a period of relative calm in policies and geopolitics. Meanwhile, with core PCE inflation of 1.6% well below targeted inflation of 2%, the Fed's interest rate policy would remain very accommodative in 2020. Further supporting equities is the resumption of balance sheet expansion by the major central banks. We remain OVERWEIGHT all markets. In particular, we are overweight U.S. but slight overweight Europe and Japan because of stronger economic fundamental and earnings growth compared to Europe and Japan, despite their more favorable valuation.

Source : *Principal Asset Management Bhd*
Date : *31 December 2019*

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.