Sun Life Malaysia
Islamic Global Sustainable Fund
April 2025

Sun Life

FUND OBJECTIVE

To achieve long-term capital growth.

INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly Fund Fact Sheets at https://www.sunlifemalaysia.com/insurance-and-takaful/investment-linked-fund/yearly-fund-fact-sheet/ for more information on the Investment Strategy and Approach of the target fund.

FUND DETAILS

Launch Date	01 June 2022	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	7.77 million units (30 April 2025)	Fund Size	RM 10.25 million (30 April 2025)
Unit NAV	RM 1.3190 (30 April 2025)	Target Fund	Nomura Global Shariah Sustainable Equity Fund - MYR Class A
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	Dow Jones Islamic Market Developed Markets Index	Frequency and Basis of Unit Valuation	The unit price is determined daily based on value of the holdings in the target fund, net of expenses, divided by the total number of units in that fund
Target Market	Suitable for investors: ▪ are seeking long term capital growth; ▪ want a portfolio of Shariah compliant investments that provides positive impact on the sustainable development of society ▪ want to have portfolio with global exposure; and ▪ are prepared to accept moderate level of volatility	Fund Management Charges	▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic 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

Shariah-compliant equities and Shariah-compliant equity related securities	Islamic money market instruments, placement of Islamic deposit and / or held in cash
Minimum 70% of Net Asset Value (NAV)	Maximum 30% of NAV

SECTOR ALLOCATION OF THE TARGET FUND	
Information Technology	32.90%
Health Care	23.95%
Industrials	22.55%
Financials	8.71%
Communication Services	6.04%
Consumer Discretionary	1.60%
Cash & Others	4.25%

TOP HOLDINGS OF THE TARGET FUND	
Nvidia Corp	7.15%
Microsoft Corp	7.03%
Alphabet Inc-Cl A	6.04%
Apple Inc	4.73%
Mastercard Inc - A	4.60%

PERFORMANCE RECORD

This fund feeds into Nomura Global Shariah Sustainable Equity Fund - MYR Class A ("target fund") with the objective to achieve long-term capital growth.

Table below shows the investment returns of Sun Life Malaysia Islamic Global Sustainable Fund versus its benchmark as at 30 April 2025:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	-7.78	-2.41	-9.61	-8.52	-6.03	N/A	31.90
Benchmark	-8.99	-2.31	-11.20	-4.97	-3.61	N/A	43.48

** Calculation of past performance is based on NAV-to-NAV*

Table below shows the historical performance of the underlying collective investment schemes (CIS) for the calendar year returns:

(%)	2024	2023	2022
Target Fund	16.15	31.18	0.09

Source: Refinitiv Lipper

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FUND MANAGER'S COMMENT

MYR Class B returned -2.41%, underperforming the benchmark by 10bps, in an exceptionally volatile month for global equity markets. April began on a softer note as investor concerns around the impact of escalating tariff rhetoric and the prospective returns of huge AI related spending that started in March followed through into the month. This subsequently accelerated aggressively following the announcement of the Trump administration's 'Liberation Day' tariffs with market expectations for the probability of a recession increasing materially. The Fund outperformed very materially over this period driven by stock selection as the Fund performed exactly how our clients should expect in terms of protecting on the downside and minimising the exposure to the very expensive pockets of the market which suffered most extensively in this downturn. Selection was strongest over this period in Financials wherein we hold less traditional European and Asian names that are much stronger on sustainability grounds, and also in Information Technology where we are underweight the more expensive mega tech on valuation grounds. Through this period, we maintained valuation discipline in this very uncertain backdrop rotating modestly where we saw opportunities from those names that disproportionately outperformed into those hit the hardest with the most upside under current base expectations.

However, the market subsequently rebounded very strongly as the Trump administration did a near entire U turn on these reciprocal tariffs and placed them on pause, except with China where tariffs initially escalated sharply on both sides, however we note that at the time of writing these have subsequently also for the majority paused and the market consensus view has shifted to one of the tariff announcements being merely an initial bargaining tool and not anywhere near a close representation of what will ultimately result. As such the S&P recovered almost the entirety of its 11% decline at the beginning of the month, and through this period the Fund gave back a large proportion of those gains at the beginning of the month. For the full month allocation contributed positively as a result of the underweight to the Information Technology and Energy sectors with selection broadly neutral. On a regional basis allocation also contributed positively driven by the overweight to Western Europe and underweight to North America.

Axa (+11%) and SAP (+10%) were the top contributing companies over the month with both benefitting materially from the outperformance of higher quality European assets and the EUR at the expense of US assets. SAP further reported very strong results for the quarter with cloud orders continuing to surprise to the upside.

The greatest detractors were UnitedHealth (-21%) and Thermo Fisher (-14%). UnitedHealth initially performed very strongly through the year as a safe haven in a backdrop of tariff escalation but subsequently delivered very disappointing results particularly within its Optum segment which drove an extreme reaction from investors as this safe haven status quickly evaporated. Thermo Fisher has been impacted by a reduction in expectations for research funding and a deteriorating outlook for China facing segments.

Impact Focus of the Month:
During the month the team conducted additional checks on some of the highest contributors to portfolio WACI. Using our data provider's modelled degree alignment and carbon budgets for the International Energy Agency (IEA) Sustainable Development Scenario (SDS), we identified one particular holding, which warranted further analysis given it was flagging as overshooting the desired 1.5°C alignment in 2023 and was in fact associated with 6°C warming. Given these findings fell outside of our expectations, we initiated an engagement with one of our industrials holdings to verify the data. For context, the company has its near term 2031 target validated by the SBTi and this is aligned with a 1.5°C pathway. The team notes that the company's SBTi target does not include Scope 3 given the type of business they operate, e.g. the company's Scope 3 represents only around 10% of their total GHG emissions, which is below SBTi's threshold for inclusion of 40%. The majority of the company's emissions sit in their Scope 1 (~90%) and are predominantly driven by landfill operations. We also note that this is where their greatest impact sits – though their recycling operations and capturing methane gas to convert it to renewable natural gas (RNG), the company manages to avoid/reduce more than 3x their own emissions across the entire value chain. After having a discussion with the company itself and confirming that the data provider modelled pathway seems unrealistic we reached out to the provider directly to verify their methodology and the data point on which we are awaiting final findings from their internal investigation. On a portfolio level however, the team notes that the strategy is overall aligned with a 1.5°C through to 2050, which significantly outperforms the benchmark, which is currently associated with a 2.8°C warming.

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. For example, investment decisions undertaken by Nomura as a result of 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.
Country risk	The investment of the target fund may be affected by risk specific to the country in 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 in which the target fund invest in.
Reclassification of Shariah Compliance Status	Shariah-compliant securities and instruments held by the target fund are subject to periodic review by the SAC of the SC, SAC of BNM, the Shariah boards of the relevant Islamic indices or the Shariah Adviser. These securities may be reclassified as non-compliant during such reviews and the target fund may need to take the necessary steps to dispose of such security or instrument, upon the advice of the Shariah Adviser. Consequently, the target fund may realise some losses in the disposal of the same or there may be opportunity loss for the target fund as the target fund may not be permitted to retain excess capital gains derived from such disposal.

RISKS (CONTINUED)

Currency Risk	As the Base Currency is denominated in USD and the currency denomination of the Classes may be denominated in other than USD, the Classes not denominated in USD are also exposed to currency risk. Any fluctuation in the exchange rates between USD and the currency denomination of the Class (other than Classes denominated in USD) will affect the Unit Holder's investments in those Classes (other than Classes denominated in USD). The impact of the exchange rate movement between the Base Currency and the currency denomination of the Class (other than Classes denominated in USD) may result in a depreciation of the Unit Holder's holdings as expressed in the Base Currency. In order to manage currency risk, Nomura may employ currency hedging strategies to fully or partially hedge the foreign currency exposure of the target fund's investments and/or the Classes not denominated in USD. Currency hedging may reduce the effect of the exchange rate movement for the Class being hedged but it does not entirely eliminate currency risk between the Class and the Base Currency. The unhedged portion of the Class will still be affected by the exchange rate movements and it may cause fluctuation of NAV of the Class. You should note that if the exchange rate moves favourably, the Class will not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging will be borne by the hedged class and may affect returns of the hedged class.
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. If the financial institution which the target fund places deposits with defaults in payment or become insolvent, the target fund may also suffer capital losses with regards to the capital invested and interest foregone, causing the performance of the target fund to be adversely affected This could affect the value of the target fund as up to 20% of the NAV of the target fund will be invested in Islamic deposits, Islamic money market instruments and/or held in cash.

Source : Nomura Asset Management Malaysia Sdn Bhd
Date : 30 April 2025