

### 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.

### INVESTMENT STRATEGY & APPROACH

Please refer to the Master 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 for the target fund.

### FUND DETAILS

Launch Date	21 July 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	9.32 million units	Fund Size	RM10.86 million
Unit NAV	RM1.1650	Target Fund	Nomura Global Sustainable Equity Fund - MYR Class B
Fund Manager	Nomura Asset Management Malaysia Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	MSCI All Country World 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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ are seeking long term capital growth</li> <li>▪ want a portfolio of investments that provides positive impact on the sustainable development of society</li> <li>▪ want to have portfolio with global exposure</li> <li>▪ are prepared to accept moderate level of volatility</li> </ul>	Fund Management Charge	Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Global Sustainable Fund.

### ASSET ALLOCATION OF THE TARGET FUND

Master fund	Deposits, money market instruments and / or held in cash
Minimum of 85% Net Asset Value (NAV)	Maximum of 15% of NAV

SECTOR ALLOCATION OF THE TARGET FUND	
Information Technology	23.69%
Industrials	21.51%
Health Care	21.29%
Financials	17.06%
Utilities	6.12%
Communication Services	5.20%
Cash & Others	5.13%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND	
Microsoft Corporation	5.59%
Alphabet Inc. Class A	5.20%
NVIDIA Corporation	4.71%
Taiwan Semiconductor Manufacturing Co.	4.67%
Schneider Electric SE	3.41%

**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:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	-2.49	-2.49	-3.71	-0.99	-1.30	27.46	16.50
<b>Benchmark</b>	-0.02	-0.02	-2.32	3.82	6.27	48.84	37.63

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

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

(%)	2025	2024	2023
<b>Target Fund</b>	5.03	7.97	19.74

Source: LSEG Lipper

## FUND MANAGER'S COMMENTS

MYR Class B returned -2.49% in January underperforming the MSCI ACWI by 271 bps. The underperformance was driven mostly by selection with a similar sized headwind across the Industrials, Financials and Information Technology sectors.

In Information Technology, software companies underperformed in January as investors became more concerned of the threat of disruption from AI. The Fund sets out to position itself in more defensive areas but nevertheless was caught up in this broad-based sell-off, which detracted from performance. The month also brought new uncertainty within payments companies as Trump's commentary on credit cards and more general discussion on regulation was taken negatively. Finally in Industrials, certain shares sold off as new innovation in semiconductors could impact companies exposed to data centre construction. We continue to see significant opportunities in all three of the sectors mentioned above and were encouraged to see the Industrials names rebound during the beginning of February.

The greatest contributors to performance in January were TSMC (+14%) and not owning Apple (-5%). TSMC gave 2026 revenue growth guidance of "close to 30%" in USD which was higher than expectations of mid-20s. They also raised their 5 year USD revenue growth CAGR guidance (2025-2029) from 20% to 25%, of which AI revenue growth guidance was raised from mid-40s to mid-to-high 50s. TSMC makes all the AI chips for NVIDIA, Broadcom and almost all other AI chip designers enabling them to benefit from the high demand for AI chips in a diversified manner. Apple started the year off on a weak note for two reasons. In a market obsessed with AI, Apple's AI strategy has been slow to develop. During the month, Apple announced they would use Google's Gemini to power Siri which is a step in the right direction. The other headwind was higher DRAM and NAND prices which will act as a weight on gross margins once they run out of DRAM and NAND inventory unless they pass on higher component costs to consumers.

The two biggest detractors were SAP (-18%) and Microsoft (-12%). January saw a significant volatility within software names, with any Q4 misses being severely punished. SAP stock traded down on Q4 earnings driven by a lower cloud current backlog (next 12m) growth at 25%, which was a 1% miss vs guide. The main driver was multi year migrations with larger deal sizes, which take longer to implement. Total year end cloud backlog was US\$77bn compared to US\$63bn as of the end of 2024 with constant currency growth of 30%, i.e., total cloud backlog growing faster than current cloud backlog which means more backlog going into year two and beyond. Similarly, Microsoft traded significantly down on their 4Q results/1Q guide released on the same day driven by a miss on Azure backlog vs buy side expectations. The miss was driven by supply, not demand. Microsoft's Commercial RPO (backlog) of US\$625bn, was up from US\$392bn in the prior quarter, showcasing the long term demand for cloud continues to be strong, however the additional capacity brought online in the last quarter of 2025 seems to have been partially allocated to first party internal applications (i.e. no contribution to cloud revenues), which was not appreciated by market participants.

### Impact Focus of the Month

In January, we engaged with one of our holdings to fully understand the scope of the Missile Defence Agency SHIELD contract they were awarded by the US government at the start of the year. We requested from the company more details on the specific work that they are contracted to do and the expected scope of project. Although we weren't surprised that the company could not provide granularity on the awarded contracts at the time given confidentiality restrictions, we were pleased to hear them address in a bit more detail the topic at their earnings call. Management mentioned quite broadly that defence contract wins that have been added to backlog in the past year focus on coastal resiliency, infrastructure development and modernisation work.

Also supporting water work and resource management for defence facilities. This business describes themselves as the upfront planners and environmental permitter/stewards for things like remote sensing, which includes assessment of environmental impacts and monitoring on local communities and ecosystems. This work will be recognized once deployed regardless if the golden dome materialises. The team will continue to monitor the topic closely and assess suitability of the holding in the fund.

**RISKS**

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

<b>Returns not guaranteed</b>	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.
<b>Market risk</b>	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.
<b>Inflation risk</b>	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.
<b>Manager's risk</b>	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.
<b>Concentration risk</b>	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.
<b>Liquidity risk</b>	<p>Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the master fund holds assets that are illiquid, or are difficult to dispose off, the value of the master fund will be negatively affected when it has to sell such assets at unfavourable prices.</p> <p>The liquidity risk of the target fund also refers to Nomura's ability as manager to honour redemption requests or to pay Unit Holders' redemption proceeds in a timely manner. This is subject to the target fund's holding of adequate liquid assets, its ability to borrow on a temporary basis as permitted by the relevant laws and/or its ability to redeem the units of the master fund at fair value. Should there be inadequate liquid assets held, the target fund may not be able to honour requests for redemption or to pay Unit Holders' redemption proceeds in a timely manner and may be forced to dispose the shared of the master fund at unfavourable prices to meet redemption requirements.</p>
<b>Country risk</b>	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)**

<b>Default risk</b>	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.
<b>Investment manager of the master fund risk</b>	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: <ul style="list-style-type: none"><li>i) The risk of non-adherence to the investment objective, strategy and policies of the master fund;</li><li>ii) The risk of direct or indirect losses resulting from inadequate or failed operational and administrative processes and systems by the investment manager; and</li><li>iii) The risk that the master fund may underperform its benchmark due to poor investment decisions by the investment manager.</li></ul>

Source : *Nomura Asset Management Malaysia Sdn Bhd*

**Disclaimer:**

This is strictly the performance of the investment fund, and not the returns earned on the actual premiums paid of the investment-linked product. Past performance of the fund is not an indication of its future performance. 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.