

Sun Life Malaysia

Islamic Global Sustainable Fund

February 2025



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

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|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Launch Date | 01 June 2022 | Domicile | Malaysia |
| Currency | Ringgit Malaysia | Launch Price | RM1.0000 |
| Units in Circulation | 7.00 million units (28 February 2025) | Fund Size | RM 10.08 million (28 February 2025) |
| Unit NAV | RM 1.4396 (28 February 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: <ul style="list-style-type: none">▪ 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 | <ul style="list-style-type: none">▪ 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

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|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 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 |

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SECTOR ALLOCATION OF THE TARGET FUND

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|------------------------|--------|
| Information Technology | 34.71% |
| Health Care | 24.77% |
| Industrials | 20.94% |
| Financials | 8.51% |
| Communication Services | 6.09% |
| Consumer Discretionary | 3.14% |
| Cash & Others | 1.84% |

TOP HOLDINGS OF THE TARGET FUND

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|-------------------|-------|
| Nvidia Corp | 6.44% |
| Microsoft Corp | 6.26% |
| Alphabet Inc-Cl A | 6.09% |
| Mastercard Inc-A | 5.16% |
| Apple Inc | 4.97% |

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 28 February 2025:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Years | Since Inception |
|------------------|-------|-------|-------|------|--------|---------|-----------------|
| Fund* | 0.66 | -1.34 | -1.19 | 0.77 | 4.69 | N/A | 43.96 |
| Benchmark | -0.04 | -2.46 | -1.00 | 4.91 | 4.74 | N/A | 57.59 |

* 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

FUND MANAGER'S COMMENTS

Amidst an elevated market volatility environment where VIX index rebounded close to 20 from 15 MYR Class A delivered -1.44% outperformed the benchmark by 102bps. EU market, as a laggard in 2024 continued to deliver its outperformance against other developed market and in fact was the only region that delivered overall positive return. Macro updates and noises overshadowed the latest earnings updates especially for those related to AI theme. As market valuation multiples did not appear to be oversold, we found limited market interest to participate in the market dip yet especially in the anticipation of final tariff decision on Canada and Mexico on 4 March While we acknowledge market noises would dissipate in the long term, we recognize that a balanced approach is critical between the macro sensitivity of our position exposures and the underlying long term earnings fundamental strength We would like to share our confidence with investors by highlighting that our bottom up approach at reasonable valuation discipline have exhibited well in the outperformance and we believe it to continue reflect well for a longer term period when market focus returns to earnings fundamental.

By region, NA reversed to be a major contributor to the relative performance despite its weaker absolute performance as compared to EU By sector, market de grossed risky positions and favoured defensive sectors including Consumer Staples, Utilities and Healthcare GSSE balanced allocation positioned well where the outperformance from Health Care overweight and Consumer Discretionary underweight was more than offset Communication Services and limited Consumer Staples.

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FUND MANAGER'S COMMENTS (CONT')

The top contributors to the relative performance were Johnson Control and AstraZeneca Johnson Control delivered an exceptional quarterly earnings update with clean earnings beat and guidance raise mainly on further margin expansion. While its global product revenue grew strongly at +15% yoy with some pull forward demand, it orders building solutions order growth at a strong +16% yoy supported by a tailwind of low base rate We are also excited to see a more consistent growth and margin improvement journey with Joakim Weideman is (formerly with Danaher) to become the new CEO with effective date on 12 March 2025 Limited exposures to Tesla and Amazon also contributed to the outperformance. The top detractors to the relative performance were Alphabet and Taiwan Semiconductor Manufacturing While overall earnings delivered by Alphabet was growing steadily, investors were disappointed by the slower than expected cloud growth at +30% yoy despite lower than peers' valuation multiples As management attributed the slow down to AI infrastructure capacity just like their peers, we would closely monitor the overall cloud progress in the near term while being confidence about cloud long term trajectory which remains to be strong.

Impact Focus of the Month

In February 2025 the team initiated our Green Pharma project, which we plan to maintain as one of the focus areas for our sustainable strategies for the year We note that, despite the progress we are seeing and the increased granularity around measuring and reporting on Scope 3 categories, the industry is still facing considerable challenges As part of this process, we reached out to the majority of our pharmaceutical holdings which did not yet have complete Scope 3 reporting/targets and engaged on understanding on a variety of topics, such as drivers of upstream emissions (e.g. purchased goods and services), relationships with manufacturing partners, use of capital equipment and the trade-off companies might need to make to decarbonise their manufacturing and logistics processes This fits in with our overall goals to reduce the carbon intensity of strategy holdings and feel comfortable that sufficient financial resources are being put into place to achieve Net Zero greenhouse gas emissions by 2050.

RISKS

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

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| 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. |

RISKS (CONTINUED)

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|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. |
| Currency Risk | <p>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.</p> <p>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.</p> |
| 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 : 28 February 2025

Disclaimer:

This is strictly the performance of the investment fund, and not the returns earned on the actual takaful contributions 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 contributions 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.