

Sun Life Malaysia Global Titans Fund

March 2025



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.

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	20 May 2014	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	34.37 million units (28 March 2025)	Fund Size	RM90.76 million (28 March 2025)
Unit NAV	RM2.6403 (28 March 2025)	Target Fund	Principal Global Titans Fund- Class MYR
Fund Manager	Principal Asset Management Bhd	Taxation	8% of annual investment income
Performance Benchmark	42% S&P500 + 36% MSCI Europe + 12% MSCI Japan + 10% CIMB Bank 1-Month Fixed Deposit Rate	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"> 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 	Fund Management Charge	<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

Collective Investment Schemes	Equities	Cash
Minimum 50% and up to 98% of Net Asset Value (NAV)	Up to 50% of NAV	The remaining balance of funds NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	89.11%
Financials	1.97%
Communication Services	1.39%
Information Technology	1.14%
Industrials	1.03%
Consumer Discretionary	0.95%
Cash	4.41%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

SPDRS&P 500 ETF (United States)	22.88%
iShares Core MSCI Europe ETF (Europe)	22.85%
Principal GLB - EUR EQ-INS ACC (Europe)	11.40%
iShares US Equity Factor Rotation Active ETF (US)	7.83%
NEXT FUNDS TOPIX Banks ETF (Japan)	4.25%
FTGF ClearBridge - US Large Cap (United States)	3.33%
JPMorgan Funds-US Growth Fund (United States)	3.12%
iShares Core S&P Small-Cap ETF (United States)	2.88%
JP Morgan US REI Equity ESG UCITS ETF (United States)	2.71%
JP Morgan Japan Yen Fund AC JPY (Japan)	2.47%
Total	83.72%

PERFORMANCE RECORD

This fund feeds into Principal Global Titans Fund - Class MYR ("target fund") with the objective to achieve 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 Malaysian equities market to balance any short term volatilities.

Table below shows the investment returns of Sun Life Malaysia Global Titans Fund versus its benchmark as at 28 March 2025

%	YTD	1M	6M	1-Year	3-Years	5-Years	Since Inception
Fund*	0.28	-1.93	6.44	-0.62	24.48	75.93	164.03
Benchmark	1.22	-2.90	5.56	-0.12	29.12	93.05	189.32

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

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



Source: Lipper

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FUND MANAGER'S COMMENTS

The Fund declined by 1.93% in March, outperforming the benchmark by 97bps. YTD, the Fund is up 28bps, underperforming the benchmark by 94bps.

Developed markets experienced volatility in March due to unpredictable tariff developments. S&P 500 Index declined by 5.6%. MSCI Europe dropped by 3.9% and MSCI Japan declined by 0.5%, all in local currency terms. Following the worse-than-expected reciprocal tariffs announcement on Liberation Day and China's announcement of 34% retaliation afterwards, markets shifted to risk-off mode with substantial sell-offs. At the time of writing, the US Dollar declined by 4.3% since the end of February, while Euro and Japanese Yen appreciated by 5.7% and 3%, respectively, as they were viewed as safe-haven currencies. However, it is too early to draw definitive conclusions. The 10-year Treasury yield declined to 3.94%, driven by growing concerns over a potential US recession following the announced reciprocal tariffs. In the March FOMC meeting, the Fed maintained its expectations of two rate cuts this year, suggesting it's more concerned about the downside risks to economy than upside risks to inflation. In his first remarks following Liberation Day, Fed Chair Powell acknowledged that tariffs could slow economic growth and drive inflation higher, though he also indicated that the inflationary impact might be temporary.

US headline inflation in Feb moderated to 2.8% YoY, slightly below consensus estimate, while core inflation, excluding food and energy, moderated to 3.1% YoY. Retail sales rose 0.2% in Feb, pointing to a slower-than-expected consumer spending. The Michigan consumer sentiment dipped, reinforcing growing uncertainty about the economy amid the backdrop of tariffs. The ISM Manufacturing PMI unexpectedly dropped into contraction zone while services PMI also deteriorated. The focus is on US labor market. The latest non farm payroll post Liberation Day still points to resilient hiring. However, the data is backward looking. The US unemployment rate increased to 4.2% in March. Europe's economic data presents a mixed picture, with manufacturing PMI remaining in contraction territory for major economies, while services PMI continued to weaken. Germany's exports rose by 1.8% MoM in Feb, although industrial production declined by 1.3% MoM. Euro Area headline inflation moderated further to 2.3%, slightly below expectations. Japan's Manufacturing PMI dropped to 48.4, reflecting declines in both production and new orders due to subdued demand in both domestic and foreign markets. Services PMI also weakened to 50. However, household spending increased by 3.5% MoM in Feb, surpassing expectations, while nominal wage growth rose by 3.1% YoY. Core-core inflation (excluding food and energy) was recorded at 2.6%. Forward 12-month corporate earnings have been revised up for Europe while staying flat of US and Japan.

Strategy: Neutral Equity vs Cash. Neutral across all markets while keeping a slight below benchmark weight for Japan. Reduce off-benchmark exposure while keeping Gold and Treasury ETF as a hedge against tariff and recession risks. Equities are likely to remain in a risk-off environment until a catalyst for changes emerges. While markets had priced in tariff risks, the announced reciprocal tariffs are more severe than anticipated, and future actions remain uncertain. Until a credible resolution emerges, the market is expected to adopt a defensive stance. The reform of Germany's debt brake and the introduction of an additional infrastructure fund are expected to benefit the defense sector and provide cyclical support to the economy. However, successful implementation will be crucial. Europe must also address other structural challenges, including the regulatory burden and labor market flexibility, to enhance its long-term growth prospects. In the near term, the market faces the added risk of reciprocal tariffs and global economy slowdown.

RISKS

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

Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.
Stock specific risk	Prices of a particular stock may fluctuate in response to the circumstances affecting individual companies such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such stock will adversely affect the target fund's NAV.
Country risk	Investments of the target fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the target fund invests. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the target fund in those affected countries. This in turn may cause the NAV of the target fund or prices of units to fall.
Currency risk	As the investments of the target fund may be denominated in currencies other than base currency, any fluctuation in the exchange rate between the base currency and the currencies in which the investments are denominated may have an impact on the value of these investments. You should be aware that if the currencies in which the investments are denominated depreciate against the base currency, this will have an adverse effect on the NAV of the target fund and vice versa. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.
Fund manager's risk	Since the target fund invests into collective investment scheme managed by another manager, the fund manager has absolute discretion over the fund's investment technique and knowledge, operational controls and management. In the event of mismanagement of the fund and/or the management company, the NAV of the target fund, which invests into the fund would be affected negatively. Although the probability of such occurrence is minute, should the situation arise, Principal (S) will seek for an alternative collective investment scheme that is consistent with the objective of the target fund.

RISKS (CONTINUED)

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

Credit and default risk

Investments of the target fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. Principal (S) aims to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.

Source : Principal Asset Management Bhd
Date : 28 March 2025

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.