

FUND OBJECTIVE

To achieve consistent capital appreciation over medium to long-term by investing in equities and other approved investments, which harmonise with Islamic philosophy and laws.

FUND DETAILS

Launch Date	01 December 2009	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	10.587 million units (31 December 2018)	Fund Size	RM15.786 million (31 December 2018)
Unit NAV	RM1.4911 (31 December 2018)	Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang AIIIMAN Growth Fund
Benchmark	FBM Emas Shariah Index (FBMS)	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a medium to long term investment horizon Are risk tolerant Seek higher returns on the investment that comply with Shariah requirements 	Fees	<ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Equity Fund. 1.5% p.a. fund management charge is applied on the Target Fund's NAV by Affin Hwang.

ASSET ALLOCATION OF THE TARGET FUND

Equity	Cash
Min 70%; Max 100%	Max 30%

SECTOR ALLOCATION OF THE TARGET FUND

Financials	18.1%
Industrials	13.9%
Oil & Gas	9.7%
Consumer Goods	6.7%
Basic Materials	5.7%
Utilities	5.2%
Technology	5.0%
Health Care	4.5%
Telecommunications	2.1%
Consumer Services	1.4%
Cash & Cash Equivalents	27.7%

TOP HOLDINGS OF THE TARGET FUND

Tenaga Nasional Bhd	5.2%
Dialog Group Bhd	4.7%
Sunway Bhd	4.6%
Petronas Chemicals Group Bhd	4.5%
Scientex Bhd	3.9%
Petronas Dagangan Bhd	3.8%
Fraser & Neave Holdings Bhd	3.0%
KLCCP Stapled Group Stapled Security	2.8%
UOA Development Bhd	2.6%
Axis Real Estate Invnt Trust	2.4%

PERFORMANCE RECORD

This fund feeds into Affin Hwang Aiiman Growth Fund ("target fund") with the objective to achieve consistent capital appreciation over a medium to long-term by investing in equities and other approved investments, which harmonise with Islamic philosophy and laws.

Table below shows the investment returns of Sun Life Malaysia Islamic Equity Fund versus its benchmark as at 31 December 2018:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-9.00%	-1.90%	-6.50%	-3.80%	-9.00%	5.10%	49.1%
Benchmark	-13.52%	-1.11%	-9.26%	-4.86%	-13.52%	-10.13%	36.6%

***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

- Domestic stock markets were mixed amid sell offs in US stock markets, with FBM Emas Shariah Index down 1.1% over the month.
- Fund outflows continued in December as foreign investors dumped shares amid a lack of growth policies and weak sentiments within Emerging Markets.
- Malaysian Ringgit climbed against USD despite fund outflows, weak oil prices and crude palm oil prices, closing the month against the greenback at 4.13.
- Malaysia's November export growth slowed to 1.6% yoy, indicating a spillover effect of US-China trade conflicts combined with China's slowdown in growth.
- Sell-side analysts trimmed targets and outlook for corporate profit to reflect potential policy risks and margin pressure after a high number of earnings misses in the previous quarter.
- Markets were also jittery due to concerns of further outflows and a fierce sell-down of the local market if some of Tabung Haji's equity holdings had to be liquidated amid revelations of mismanagement.

FUND MANAGER'S COMMENTS (CONTINUED)

- **STRATEGY:** Despite a warmer relationship between US and China, still uncertain geopolitical environment, corporate restructuring and a lack of growth policies continue to form the domestic landscape.
- Whilst markets could be volatile in the short-term, we expect such concerns to ease as the government clarifies its position and sets policy direction.
- Selling pressure on Malaysian Ringgit may ease as foreign investors have largely exited the market, though it could persist should oil prices and crude palm oil prices continue to stay weak.
- We remain cautious by having exposure in defensive sectors such as REITs and consumer, keeping a moderate level of cash.
- We are positioning our domestic portfolio with value companies, which would benefit from a potential turn in market sentiments, given that investment position has been light with large amount of cash currently on the sidelines.

Source : *Affin Hwang Asset Management Berhad*
Date : *31 December 2018*

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.