

Sun Life Malaysia World Equity Fund

November 2023



FUND OBJECTIVE

Seeks to achieve capital appreciation in the long-term through investments in Shariah-compliant equities and equity-related securities.

FUND DETAILS

| | | | |
|----------------------|---|--------------|---|
| Launch Date | 13 February 2015 | Domicile | Malaysia |
| Currency | Ringgit Malaysia | Launch Price | RM1.0000 |
| Units in Circulation | 17.13 million units (30 November 2023) | Fund Size | RM29.59 million (30 November 2023) |
| Unit NAV | RM1.7274 (30 November 2023) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | abrdrn Islamic Malaysia Sdn. Bhd. | Target Fund | abrdrn Islamic World Equity Fund |
| Benchmark | MSCI ACWI Islamic (Shariah) Index | Taxation | 8% of annual investment income |
| Risk Profile | <p>Suitable for investors:</p> <ul style="list-style-type: none"> Have a long term investment horizon Target capital appreciation Willing to take higher risk for potential higher gains | Fees | <ul style="list-style-type: none"> Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia World Equity Fund Up to 1.75% p.a. fund management charge is applied on the target fund's NAV by abrdrn Islamic Malaysia Sdn. Bhd. |

ASSET ALLOCATION OF THE TARGET FUND

| | |
|------------|---------|
| Equities | Cash |
| 90% - 100% | 0% -10% |

SECTOR ALLOCATION OF THE TARGET FUND

| | |
|------------------------|---------|
| Information Technology | 25.20% |
| Health Care | 20.30% |
| Industrials | 16.20% |
| Consumer Discretionary | 9.10% |
| Consumer Staples | 8.50% |
| Materials | 7.20% |
| Real Estate | 4.60% |
| Communication Services | 2.40% |
| Energy | 2.30% |
| Cash | 4.20% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|---------------------|--------|
| Microsoft Corp | 7.00% |
| Procter & Gamble Co | 3.70% |
| ASML Holding | 3.60% |
| L'Oreal | 3.30% |
| LULULEMON Athletica | 3.10% |
| LINDE PLC | 3.10% |
| Trane Technologies | 2.80% |
| VAT Group | 2.80% |
| Atlas Copco | 2.70% |
| Astrazeneca | 2.70% |
| Total | 34.80% |

Sun Life Malaysia Assurance Berhad 199001005930 (197499-U)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

Telephone (603) 2612 3600 Client Careline 1300-88-5055 wecare@sunlifemalaysia.com sunlifemalaysia.com

PERFORMANCE RECORD

This fund feeds into abrdn Islamic World Equity Fund ("target fund") with the objective to achieve capital appreciation in the long-term through investments in Shariah-compliant equities and equity-related securities.

Table below shows the investment returns of Sun Life Malaysia World Equity Fund versus its benchmark as at 30 November 2023:

| % | YTD | 1M | 6M | 1-Year | 3-Years | 5-Years | Since Inception |
|------------------|-------|------|-------|--------|---------|---------|-----------------|
| Fund* | 19.92 | 7.23 | 6.03 | 15.44 | 20.62 | 54.00 | 72.74 |
| Benchmark | 24.72 | 6.74 | 10.22 | 18.28 | 47.08 | 75.17 | 149.19 |

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

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

- Global equity markets rose notably over the month on the back of better-than expected US, eurozone and UK inflation data. Coupled with falling oil prices, investors' hopes have risen that central banks have stopped raising interest rates, with cuts now expected around the middle of next year. However, while the risk of a recession has receded, global growth is still slowing. Other concerns include the ongoing wars in Ukraine and the Middle East, as well as an uncertain outlook for the Chinese economy despite the country's recent stimulus measures.
- The portfolio outperformed its benchmark over the month. Looking at individual stock contributions, VAT Group added value as investors grew optimistic for a recovery. Trane Technologies rallied on the back of strong quarterly results. Revenues for 2023 were revised up. Atlas Copco, the Sweden-listed industrial, posted strong third quarter results at the end October and while the near-term sales outlook may look difficult, the shares still performed well in November.
- On the negative side, the portfolio's underweight in Microsoft weighed on relative returns. Elsewhere, AstraZeneca announced that trials for Imfinzi did not achieve statistical significance for the treatment of patients with stage III non-small cell lung cancer. While disappointing, we do not see this drug as central to the growth story as the company's pipeline of new drugs is diverse. China Resources Land remained under pressure due to weak sector dynamics.
- We sold Croda, Spirax Sarco, ARB Corp, Auckland International and Johnson & Johnson as these were low conviction buys and capital was allocated to names where the upside is more material. We sold Assa Abloy, Merck and Veralto as they are no longer included in the benchmark. We started new positions in Hubbell, Marvell and Synopsys.

RISKS

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

| | |
|--|--|
| <p>External Investment Manager Risk</p> | <p>The fund management function of the target fund is delegated to Aberdeen Asset Managers Limited (“AAML”). AAML (“External Investment Manager”) is an entity within the Aberdeen Standard Investments group (“ASI Group”). Although the External Investment Manager is an entity within the ASI Group and they will have regular meetings with Aberdeen Standard to deliberate on the investment themes and portfolio decisions, there is still the risk that the External Investment Manager may not adhere to the investment mandate of the target fund due to an oversight. In the event of an oversight by the External Investment Manager, the NAV of the target fund will be adversely affected and the investment of the policy owners may be jeopardised through the loss of their capital invested in the target fund.</p> |
| <p>Market risk</p> | <p>Market risk refers to potential losses that may arise from changes in the market prices of the Shariah-compliant equities that the target fund invests in. Prices of the Shariah-compliant equities will fluctuate in response to various factors, for example, events or news that relates to the Shariah-compliant equities as well as general market or economic conditions. In mitigating this risk, Aberdeen Standard will invest in various sectors, thus the collapse of any particular sector would not have a major adverse impact on the value of the target fund.</p> |
| <p>Stock specific risk</p> | <p>Any drop in the price of a particular Shariah-compliant stock held by the target fund may affect the unit price of the target fund adversely. This risk can be mitigated by investing in a wide range of Shariah-compliant equities in different sectors, thus spreading the element of risk.</p> |
| <p>Concentration risk</p> | <p>This risk refers to the risk that the target fund invests a substantial portion of its assets in a particular sector or geographical area which may cause the target fund to be more susceptible to adverse economic events affecting that particular industry or region. This risk is mitigated through the diversification process that Aberdeen Standard will employ in the management of the target fund whereby the target fund will hold a diversified portfolio of Shariah-compliant equities across various sectors and countries.</p> |
| <p>Shariah-compliant warrants risk</p> | <p>The price, performance and liquidity of Shariah-compliant warrants are typically linked to the underlying Shariah-compliant equities and therefore subject to those risks. However, the price, performance and liquidity of such Shariah-compliant warrants will generally fluctuate more than the underlying Shariah-compliant equities because of the greater volatility of the warrants market. The erosion of value of the Shariah-compliant warrants may accelerate as the Shariah-compliant warrants approach its expiry date and the potential gains from a favourable price movement of the underlying Shariah-compliant equities may be offset by time decay.</p> |
| <p>Currency risk</p> | <p>As the investments of the target fund may be denominated in currencies other than the 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. Investors 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 in the base currency and vice versa. Investors 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.</p> <p>The impact of the exchange rate movement between the base currency of the target fund and the currency of the underlying investments may result in a depreciation of the value of the investments as expressed in the base currency of the target fund.</p> |

RISKS (CONTINUED)

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant equities in the target fund may be reclassified as Shariah non-compliant in the periodic review of the equities by the Shariah Advisory Council of the Securities Commission (SACSC), the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, Aberdeen Standard and the External Investment Manager will take the necessary steps to dispose of such equities. There may be opportunity loss to the target fund due to the target fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. Aberdeen Standard and the External Investment Manager will be required to dispose of these equities immediately if the market price is above the investment cost. Should the market price be below the investment cost, Aberdeen Standard and the External Investment Manager may choose to hold on to these holdings until the market price meets the investment cost. Nevertheless, should Aberdeen Standard and the External Investment Manager decide to dispose of these equities below the investment cost, the target fund will be faced with the risk of realising its losses, thus negatively impacting the NAV of the target fund.

Emerging and developing markets risk

In emerging and developing markets, the legal, judicial and regulatory infrastructure is still developing and there are much legal uncertainties both for the local market participants and their overseas counterparts. As the emerging and developing markets carry significant risks, investors should therefore ensure that, before investing in the target fund, they understand the relevant risks and are satisfied that an investment in the target fund is suitable.

Taxation

Investors should note in particular that the proceeds from the sale of Shariah-compliant securities in some markets or the receipt of any dividends or other income by the target fund may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at the source. Tax law and practices in certain countries into which the target fund invests or may invest in the future (in particular emerging and developing markets) is not clearly established. It is possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. It is also possible that the target fund could become subject to additional taxation in such countries that is not anticipated either at the date of this prospectus or when investments are made, valued or disposed of.

Execution and Counterparty Risk

In some markets, there may be no secure method of delivery against payment which would avoid exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the Shariah-compliant securities or, as the case may be, sale proceeds.

Source : *abrdn Islamic Malaysia Sdn Bhd*

Date : 30 November 2023

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. 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.

Although Sun Life Malaysia World Equity Fund invests in Shariah-approved securities, the investment-linked insurance plan itself is not classified as a Shariah-compliant product.