

**FUND OBJECTIVE**

Aims 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.

**FUND DETAILS**

Launch Date	01 December 2009	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	23.52 million units (28 June 2024)	Fund Size	RM52.50 million (28 June 2024)
Unit NAV	RM2.2312 (28 June 2024)	Target Fund	AHAM Aiiiman Growth Fund
Fund Manager	AHAM Asset Management Berhad	Taxation	8% of annual investment income
Performance Benchmark	FBM Emas Shariah Index (FBMS)	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"> <li>▪ Have a medium to long term investment horizon</li> <li>▪ Are risk tolerant</li> <li>▪ Seek higher returns on the investment that comply with Shariah requirements</li> </ul>	Fund Management Charges	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Equity Fund.</li> <li>▪ Up to 1.5% p.a. fund management charge is applied on the Target Fund's NAV by AHAM Asset Management Berhad</li> </ul>

**ASSET ALLOCATION OF THE TARGET FUND**

Shariah-compliant equities	Islamic money market instruments, Islamic deposits and / or cash
Minimum of 70% to maximum of 100% of Net Asset Value (NAV)	Maximum of 30% of NAV

# Sun Life Malaysia Islamic Equity Fund

June 2024



SECTOR ALLOCATION OF THE TARGET FUND		TOP HOLDINGS OF THE TARGET FUND	
Industrials	24.40%	Tenaga Nasional Bhd	5.40%
Financials	17.70%	Dialog Group Bhd	4.30%
Health Care	10.60%	Axis Real Estate Invst Trust	4.00%
Technology	9.90%	Solarvest Holdings Berhad	3.90%
Telecommunications	8.30%	Press Metal Aluminium Hldg Bhd	3.80%
Energy	7.90%	SKP Resources Bhd	3.40%
Utilities	5.40%	TIME dotCom Berhad	3.20%
Basic Materials	3.80%	SP Setia Bhd Group	3.20%
Consumer Discretionary	2.20%	Mah Sing Group Bhd	3.10%
Consumer Staples	1.30%	Axiata Group Bhd	3.00%
Cash	8.50%	Total	37.40%
<b>Total</b>	<b>100.00%</b>		

## PERFORMANCE RECORD

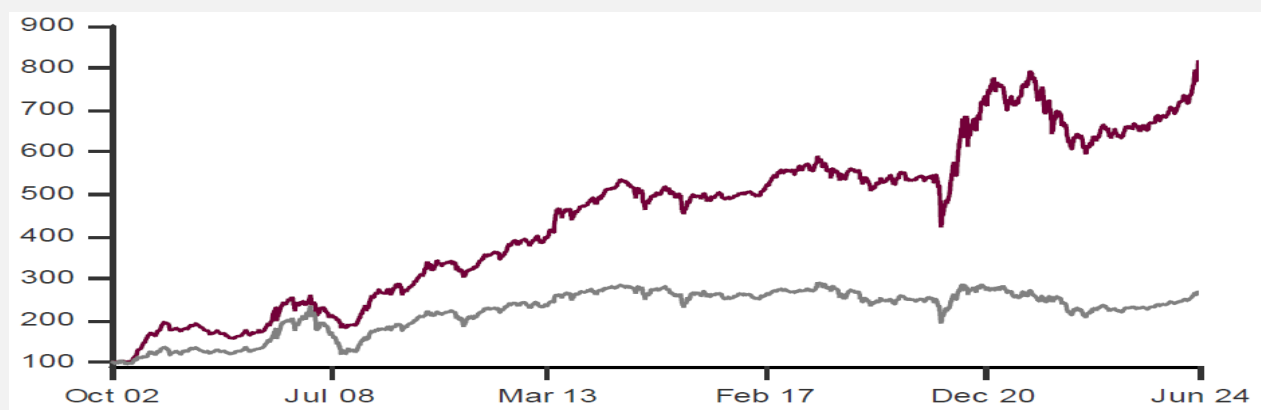
This fund feeds into AHAM Aiiaman Growth Fund ("target fund") with the objective to achieve consistent capital appreciation over a medium to long-term by investing in equities and other approved investments, which harmonize with Islamic philosophy and laws.

Table below shows the investment returns of Sun Life Malaysia Islamic Equity Fund versus its benchmark as at 28 June 2024:

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	16.55	2.59	22.78	10.36	41.92	51.20	123.12
<b>Benchmark</b>	14.23	1.29	20.53	3.07	3.46	-6.23	49.03

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

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



Source: MorningStar

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## FUND MANAGER'S COMMENTS

- On the domestic front, the benchmark KLCI closed marginally lower by 0.40% due to profit-taking activities YTD, the KLCI has emerged as one of the best-performing stock markets in the region, posting gains of 9.30% in the first half of 2024. During the month, the government implemented its diesel subsidy rationalisation in Peninsular Malaysia. This measure is expected to save the government around RM4 billion annually. To mitigate the cost increase, the government has introduced policies such as cash aid to eligible individuals and businesses.
- In corporate news, Telekom Malaysia Bhd (TM) announced a partnership with Singtel to build data centre facilities in Johor. TM stated that it would progressively scale up the proposed data centre over several phases to achieve a targeted capacity of up to 200MW (megawatts) in the long term. Although there are concerns about potential oversupply of data centres in Malaysia due to massive investments in the sector, we are more comfortable with this deal given Singtel's backing as a partner. The share price of TM rose following the announcement and could see further upside with the new partnership. Our domestic funds benefitted from our exposure in TM which range between 2%-4%.
- In addition to that corporate news, several directors of Prolintas Infra Business Trust were reported to have been arrested by the Malaysian Anti-Corruption Commission (MACC). The company's management has reassured stakeholders that operations remain unaffected with traffic numbers remaining robust. Prolintas operates several key highways in populated areas including the Kajang Dispersal Link Expressway (SILK), Damansara-Shah Alam Elevated Expressway (DASH), and Sungai Besi-Ulu Kelang Elevated Expressway (SUKU). – the 4 highways in the listed business trust is AKLEH, GCE, LKSA and SILK. DASH & SUKU have not been injected into the business trust yet although they are managed by Prolintas. Management also emphasised the existence of a cash flow ringfence for the business trust, ensuring that cash flow for future dividend payments remains secure. Although there was an initial knee-jerk reaction, Prolintas' share price has since stabilised. Its dividend yield remains attractive at 7%.
- In terms of news flow, newly appointed Singapore Prime Minister Lawrence Wong made his introductory visit to Malaysia to discuss potential win-win projects such as the Rapid Transit System (RTS) Link Project and the Johor-Singapore Special Economic Zone. While details were sparse, more information is expected during the 11th Malaysia-Singapore retreat later this year.

### STRATEGY:

- Remain highly invested due to positive outlook. Cash levels maintained approximately 8% accommodate buying opportunities;
- Increased healthcare allocation from 7.7% to 10.6%;
- Transaction wise, the portfolio was marginally net buyer in June;
- We continued to strategically maintain exposure in the technology, industrial, and energy sectors; and
- Positioning remains focused in growth and cyclicals to capitalise on the improved market sentiment. About 30% of the fund are in defensives / yield to anchor against volatility.

**RISKS**

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

<b>Market risk</b>	Market risk arises because of factors that affect the entire marketplace. Factors such as economic growth, political stability and social environment are some examples of conditions that have an impact on businesses, whether positive or negative. Market risk cannot be eliminated by diversification. It stems from the fact that there are economy-wide perils which threaten all businesses. Hence, investors will be exposed to market uncertainties and no matter how many Shariah-compliant securities are held, fluctuations in the economic, political and social environment will affect the market price of the Shariah-compliant investments either in a positive or negative way.
<b>Fund management risk</b>	This risk refers to the day-to-day management of the target fund by AHAM Asset Management berhad which will impact the performance of the target fund. For example, investment decisions undertaken by AHAM Asset Management berhad 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, fraudulence, dishonesty or weaknesses in operational process and systems, may adversely affect the performance of the target fund.
<b>Performance risk</b>	There is no guarantee in relation to the investment returns.
<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 value of the investment in monetary terms has increased.
<b>Liquidity risk</b>	Liquidity risk arises in two scenarios. The first scenario is where the target fund's investment cannot be sold due to unavailability of a buyer for that investment. The second scenario exists where the target fund's investment, by its nature, is thinly traded. This will have the effect of causing the target fund's investment to be sold below its fair value which would adversely affect the NAV of the target fund.
<b>Credit/Default risk</b>	Credit risk relates to the creditworthiness of the issuers of the investment (Islamic money market instruments) and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuers may impact the value as well as liquidity of the investment. In the case of rated investments, this may lead to a credit downgrade. Default risk relates to the risk of an issuer of the investment either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the investment. This could adversely affect the value of the target fund.
<b>Equity investment risk</b>	This is the risk associated with investing in a particular equity. The value of individual equity is mainly determined by its potential growth in earnings, sound management, and treatment of minority shareholders, as well as a myriad of other factors. Failure to achieve these would result in declining investment value which in turn affects the performance of the target fund. This can be mitigated by diversifying the target fund's portfolios.

**RISKS (CONTINUED)**

**Reclassification of Shariah status risk**

This risk refers to the risk that the currently held Shariah-compliant securities by the target fund may be reclassified to be Shariah non-compliant in the periodic review of the equities by the Shariah Advisory Council of the Securities Commission Malaysia (SACSC), the Shariah Adviser for the target fund or the Shariah boards of the relevant Islamic indices.

If this occurs, AHAM Asset Management Berhad 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. AHAM Asset Management Berhad will be required to dispose of these equities immediately if the prices are above the purchase price. Should the prices be below the purchase price, AHAM Asset Management Berhad may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should AHAM Asset Management Berhad decide to dispose of these equities below the purchase price, the target fund will be faced with the risk of realising its losses, thus negatively impacting the NAV of the target fund.

**Shariah-compliant warrants investment risk**

The value of the Shariah-compliant warrants (“warrants”) will depend on the pricing of the underlying security whereby the growth and performance prospect of the underlying security would consequentially affect the value of the warrants. In addition, the value of the warrants may decrease exponentially as the warrants approach its maturity date and the potential gains from a favourable price movement of the underlying security may be offset by aggressive time decay. AHAM Asset Management Berhad may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.

**Source : AHAM Asset Management Berhad**  
**Date : 28 June 2024**

**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.