

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	22.49 million units (30 September 2021)	Fund Size	RM48.46 million (30 September 2021)
Unit NAV	RM2.1546 (30 September 2021)	Dealing	Daily (as per Bursa Malaysia trading day)
Investment Manager of the Target Fund	Affin Hwang Asset Management Berhad	Target Fund	Affin Hwang Aiiman 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. Up to 1.5% p.a. fund management charge is applied on the Target Fund's NAV by Affin Hwang Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

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

SECTOR ALLOCATION OF THE TARGET FUND

Industrials	40.9%
Financials	19.0%
Telecommunications	11.8%
Technology	6.9%
Basic Materials	6.1%
Health Care	2.3%
Consumer Staples	2.0%
Utilities	1.7%
Consumer Discretionary	1.7%
Energy	1.6%
Cash & Cash Equivalents	6.1%
Total	100.0%

TOP HOLDINGS OF THE TARGET FUND

Telekom Malaysia Bhd	5.0%
Kobay Technology Berhad	3.6%
Bank Islam Malaysia Bhd	3.5%
Scientex Bhd	3.3%
Petronas Chemicals Group Bhd	3.2%
Greatech Technology Bhd	3.1%
V.S. Industry Bhd	3.1%
Solarvest Holdings Berhad	3.1%
GHL Systems Bhd	3.0%
Inari Amertron Bhd	2.9%
Total	33.8%

PERFORMANCE RECORD

This fund feeds into Affin Hwang Aiman 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 30 September 2021:

%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	4.18	0.72	16.11	35.08	48.56	104.21	115.46
Benchmark	-6.08	-3.07	-4.20	-2.52	0.09	35.42	46.73

* 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 equities fell in September amidst various macro concerns, including fears of a tapering of asset purchases by the Fed, the debt ceiling standoff in the US and supply chain bottlenecks. The MSCI AC World index was down 4.1% while the S&P 500 fell 4.7% during the month.
- Local markets saw a consolidation following its strong performance in August, with the FBM 100 down -3.0% during the month. The performance of the local was in line with regional and global markets which saw a weak month amidst several macro headwinds.
- On-going vaccination progress continues to be encouraging. Fully Vaccinated coverage increased to 62.1% of total population as of end Sept 2021. New daily Covid cases are down sharply from its peak in August. This led to further easing of restrictions in important economic regions, including in Klang Valley.
- The 12th Malaysia Plan was announced, aiming to revive the economy while move up the supply value chain, with an emphasis of clean & sustainable energy. Other priorities include development in less developed states. Overall, the 12MP was broadly neutral for markets.
- There was a political ceasefire following a MoU signed between the government and the opposition. Reforms pledged, if well executed, should restore market confidence. In addition, we have also seen a return of foreign fund net inflows.

STRATEGY:

- The fund's invested levels was increased to 94% during the month. The fund remains positioned in quality large-cap Shariah-compliant stocks in the domestic market.
- The 12th Malaysia Plan was announced, aiming to revive the economy while move up the supply value chain, with an emphasis of clean & sustainable energy. Other priorities include development in less developed states. Overall, the 12MP was broadly neutral for markets.
- There was a political ceasefire following a MoU signed between the government and the opposition. Reforms pledged, if well executed, should restore market confidence. In addition, we have also seen a return of foreign fund net inflows. We think the worst is over both on the Covid and political risk front, hence we look to remain highly invested.
- The relatively high vaccination rates is encouraging, and with new Covid cases trending lower, further easing of restrictions are gradually being announced. This bodes well for economic activities. We are well positioned for this with a focus on by recovery beneficiaries (e.g. banks, consumer).
- We are positive on fixed line telco names following various digitalisation initiatives, covering 5G rollout and migration to cloud. We also favour exporters, particularly tech and EMS companies riding on secular growth trends and benefits from the US-China trade divergence.

RISKS

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

Market risk	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.
Fund management risk	This risk refers to the day-to-day management of the target fund by Affin Hwang which will impact the performance of the target fund. For example, investment decisions undertaken by Affin Hwang 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.
Performance risk	There is no guarantee in relation to the investment returns.
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 value of the investment in monetary terms has increased.
Liquidity risk	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.
Credit/Default risk	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.
Equity investment risk	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, Affin Hwang 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. Affin Hwang 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, Affin Hwang may choose to hold on to these holdings until the prices meet the purchase price. Nevertheless, should Affin Hwang 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. Affin Hwang may consider unwinding these warrants if there are material adverse changes to its value with the aim to mitigate the risk.

Source : Affin Hwang Asset Management Berhad
Date : 30 September 2021

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.