

### FUND OBJECTIVE

Seeks to achieve capital appreciation in the long term through investments in an international portfolio of 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	25.42 million units (30 October 2020)	Fund Size	RM33.07 million (30 October 2020)
Unit NAV	RM1.3011 (30 October 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Aberdeen Standard Islamic Investments (Malaysia) Sdn Bhd	Target Fund	Aberdeen Standard 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"> <li>Have a long term investment horizon</li> <li>Target capital appreciation</li> <li>Willing to take higher risk for potential higher gains</li> </ul>	Fees	<ul style="list-style-type: none"> <li>Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic World Equity Income Fund</li> <li>1.75% p.a. fund management charge is applied on the target fund's NAV by Aberdeen Standard Islamic Investments (Malaysia) Sdn. Bhd.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

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

### SECTOR ALLOCATION OF THE TARGET FUND

Healthcare	27.1%
Information Technology	23.9%
Industrials	12.6%
Consumer Staples	11.6%
Consumer Discretionary	9.8%
Real Estate	4.8%
Materials	4.3%
Energy	3.1%
Cash	2.8%
Total	100.0%

### TOP HOLDINGS OF THE TARGET FUND

L'Oreal	4.0%
Roche Holding	3.5%
Taiwan Semiconductor Manufacturing	3.5%
Paylocity Holding	3.4%
Procter & Gamble Co	3.4%
ASML Holding	3.0%
Goodman Group Unit	3.0%
Resmed	2.9%
NIKE CL	2.8%
Adobe System	2.8%
Total	32.3%

## PERFORMANCE RECORD

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

Table below shows the investment returns of Sun Life Malaysia Islamic World Equity Fund versus its benchmark as at 30 October 2020:

%	YTD	1M	6M	1-Year	3-Year	5-Year	Since Inception
<b>Fund*</b>	4.24	-1.93	12.61	9.89	14.20	27.42	30.11
<b>Benchmark</b>	-2.90	-3.60	7.20	1.19	7.99	32.00	55.48

\* 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 stocks declined in most major currencies in October. Investor sentiment continued to deteriorate as the rising number of Covid-19 infections in the US and Europe dashed hopes for an economic recovery. In Europe, Spain, Italy, France and Germany all re-imposed lockdowns of varying degrees to limit contagion.
- Meanwhile, geopolitical tensions between the US and China continued to escalate. US Secretary of State Mike Pompeo visited a number of countries in Asia in a bid to garner more support against Beijing. Investors were also apprehensive in the lead-up to the US presidential election, which some expect to be a close race.
- In fund-related news, Dutch semiconductor equipment maker ASML's third-quarter earnings also beat market expectations as continued remote-working trends bolstered demand for electronics. The company forecast low double-digit growth for 2021, with key end-market drivers such as 5G networks, artificial intelligence and high performance computing remaining intact.
- Meanwhile, US consumer staples conglomerate Procter & Gamble's third-quarter results also surpassed estimates as demand remained robust for its cleaning and laundry products during the pandemic. The group's investment in ecommerce also boosted earnings.
- Elsewhere, South Korean conglomerate Samsung Electronics agreed to broaden its partnership with Japanese telco KDDI to develop 5G network solutions in Japan for enterprise users. Samsung Electronics posted record operating profits in the September quarter amid healthy demand for its smartphones and memory chips.
- During the month, we took advantage of share-price strength to trim US human resources and payroll provider Paylocity.
- Against this, we took advantage of share-price weakness to add to our position in Swiss pharmaceutical company Roche Holdings. Next, we continued to build our position in US-listed Trane Technologies. It remains the market leader in heating, ventilation and air-conditioning systems amid increasing demand for environmentally-sustainable and innovative solutions.

## RISKS

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

<p><b>Market risk</b></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 Islamic 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><b>Stock specific risk</b></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><b>Concentration risk</b></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 Islamic 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><b>Reclassification of Shariah status risk</b></p>	<p>This risk refers to the risk that the currently held Shariah-compliant equities in the portfolio of the target fund may be reclassified as Shariah non-compliant during the periodic review of the securities by the SACSC, the Shariah Adviser or the Shariah Boards of the relevant Islamic indices. If this occurs, Aberdeen Islamic will take the necessary steps to dispose of such securities. A stock may be reclassified as being Shariah non-compliant, for example, if the company decides to venture into businesses that do not comply with the Shariah and this is beyond the control of Aberdeen Islamic. The impact of this risk on the value of the target fund is mitigated through the diversification process (as described under concentration risk above) that Aberdeen Islamic will employ in the management of the target fund. When the target fund holds a diversified portfolio of Shariah-compliant equities across various sectors and countries, a reclassification of any one of those Shariah-compliant equities (which means that the target fund will have to dispose of the said investment) will have less of an impact on the target fund as the target fund will still have in its portfolio other high quality Shariah-compliant equities to enable it to meet its objective.</p>
<p><b>Shariah-compliant warrants risk</b></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.</p>

## RISKS (CONTINUED)

### Currency risk

The NAV attributable to a class of units expressed in a particular currency may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Ringgit Malaysia (i.e., the base currency of the target fund) and those currencies. When the base currency and the currency of a particular class of units are different, unfavourable movements against those units in foreign exchange rates may affect the value of those units. The valuations of international Shariah-compliant equities owned by the target fund (i.e. those companies owned that are listed outside of Malaysia) may also be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Ringgit Malaysia (i.e., the base currency of the target fund) and the currencies that these equities are quoted in on their respective resident stock exchanges.

### Emerging countries and developing markets risk

In emerging markets, the legal, judicial and regulatory infrastructure is still developing and there are more legal uncertainties both for the local market participants and their overseas counterparts. Some markets carry significant risks for investors. Investors should therefore ensure that they understand the relevant risks involved by seeking independent professional investment advice before investing. The target fund will invest a minimum of 1% in emerging markets. The emerging market countries that the target fund will initially invest in will be Korea, Taiwan and Brazil. As the countries' classification may change from emerging market to developed market status during the life of the target fund, the countries mentioned above are indicative only and may change.

**Source :** Aberdeen Standard Islamic Investments (Malaysia) Sdn. Bhd.

**Date :** 30 October 2020

#### 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.