

# Sun Life Malaysia Islamic Global Balanced Fund

July 2024



## FUND OBJECTIVE

To provide income and capital appreciation over the medium to long term by investing in Shariah-compliant equities and Sukuk globally.

## INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly Fund Fact Sheets at <https://www.sunlifemalaysia.com/insurance-and-takaful/investment-linked-fund/yearly-fund-fact-sheet/> for more information on the Investment Strategy and Approach of the target fund.

## FUND DETAILS

Launch Date	19 April 2021	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	15.03 million units (31 July 2024)	Fund Size	RM 14.57 million (31 July 2024)
Unit NAV	RM0.9695 (31 July 2024)	Target Fund	United- <i>i</i> Global Balanced Fund - MYR hedge Class
Fund Manager	UOB Islamic Asset Management Sdn Bhd	Taxation	8% of annual investment income
Performance Benchmark	50% S&P Global BMI Shariah Index + 50% Dow Jones Sukuk Index	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>▪ seek an investment that provides income and capital appreciation</li><li>▪ have a moderate risk tolerance</li><li>▪ want a portfolio of investments that adhere to Shariah principles</li><li>▪ want to have investment with global exposure</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 Global Balanced Fund</li><li>▪ Up to 1.8% p.a. fund management charge is applied on the target fund's NAV by UOB Islamic Asset Management Sdn Bhd.</li></ul>

## ASSET ALLOCATION OF THE TARGET FUND

Shariah-compliant equities	Sukuk, Islamic money market instruments or placement of Islamic deposit	Unrated Sukuk
40% - 60% of Net Asset Value (NAV)	40% - 60% of NAV	Up to 20% of NAV

Sun Life Malaysia Takaful Berhad 200501012215 (689263-M)

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

Telephone (603) 2612 3600 Client Careline 1300-88-5055 [wecare@sunlifemalaysia.com](mailto:wecare@sunlifemalaysia.com) [sunlifemalaysia.com](http://sunlifemalaysia.com)

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## SECTOR ALLOCATION OF THE TARGET FUND (EQUITIES)

Technology	19.13%
Health Care	9.15%
Consumer Products	8.97%
Industrial Products	5.07%
Telecommunication	2.50%
Energy	2.16%
Materials	1.49%
Financials	0.81%
Property & Real Estate	0.51%
Utilities	0.15%
Mining & Petroleum	0.04%
Total	49.98%

## SECTOR ALLOCATION OF THE TARGET FUND (SUKUK)

Financials	14.83%
Government	13.71%
Infrastructures & Utilities	9.58%
Telecommunication	2.50%
Property & Real Estate	1.93%
Transportation & Logistics	1.08%
CIS	0.96%
Energy	0.43%
Total	45.33%

## PORTFOLIO ALLOCATION

Equity	49.98%
Bonds	45.02%
Cash	5.00%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
KSA SUKUK	2.969	29/10/29	1.81
SAUDI ELECTRICITY GLOBAL SUKUK KSA SUKUK	4.723	27/09/28	1.49
PERUSAHAAN PENERBIT SSBN	4.150	29/03/27	1.47
KSA SUKUK	4.303	19/01/2029	1.45
KSA SUKUK	3.628	20/04/27	1.45

## TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

APPLE INC	3.02%
MICROSOFT CORP	2.97%
AMAZON.COM INC	2.70%
NVIDIA CORP	2.46%
ALPHABET INC – CL A	1.84%

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**PERFORMANCE RECORD**

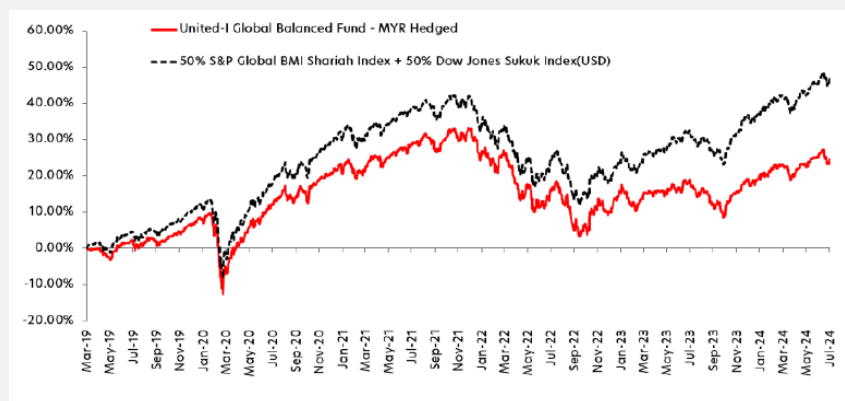
This fund feeds into United-*i* Global Balanced Fund -MYR hedge Class ("target fund") with the objective to provide income and capital appreciation over the medium to long term by investing in Shariah-compliant equities and Sukuk globally.

Table below shows the investment returns of Sun Life Malaysia Islamic Global Balanced Fund versus its benchmark as at 31 July 2024:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	4.48	1.79	1.36	4.48	6.42	-2.81	-2.81
<b>Benchmark</b>	6.29	2.10	2.14	6.29	11.45	6.19	11.50

\* 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: UOBAM(M)

**FUND MANAGER'S COMMENTS**

**Equity**

Performance was driven by weak selection in health care and information technology. On a regional basis, weak stock selection in North America was modestly offset by selection in Japan and United Kingdom.

Within communication services and financials, our top relative contributors were an underweight to Meta Platforms and an overweight to S&P Global, respectively. Within health care and information technology, our top relative detractors were overweights to Edwards Lifesciences and ASPEED Technology, respectively.

Shares of Meta Platforms fell over the period. European regulators accused Meta of breaching EU antitrust rules over ad-supported subscription service. If Meta were to be found in breach of the regulators findings, it could be fined a penalty as high as \$13.4 billion. The company later reported second quarter earnings and revenue that were better-than-expectations. Shares of Edwards Lifesciences declined during the period. The Transcatheter Aortic Valve Replacement (TAVR) business hindered the company's 2Q 2024 results due to slower-than-expected growth leading management to revise down full-year TAVR guidance. The company also announced the acquisition of cardiology-focused companies Jenavalve Technology and Endotronix.

**Sukuk**

The sukuk sleeves outperformed its benchmark by 40bps (Sukuk retur: 1.69 vs Benchmark: 1.29), driven by government and industrial sector. Contributor of the fund was Telekom Malaysia and Pelabuhan Tanjung.

## RISKS

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

### General market environment Risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.

### 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.

### Manager's Risk

This risk refers to the day-to-day management of the target fund by UOBAM which will impact the performance of the target fund, e.g. investment decisions undertaken by UOBAM 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 or weakness in operational process and systems may adversely affect the performance of the target fund.

### Reclassification of Shariah non-compliant status Risk

This risk refers to the risk that the currently held Shariah-compliant securities in the target fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia (SACSC), the Shariah adviser or the Shariah boards of the relevant Islamic indices. There may be opportunity loss to the target fund due to the target fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities. In the event the Shariah non-compliant securities are disposed at a price lower than the investment cost, it may adversely affect the value of the target fund. Thus, it may cause the NAV of the target fund to fall.

### Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of Sukuk, Islamic money market instruments and/or financial institutions where the Islamic deposits are placed and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer of the Sukuk, Islamic money market instruments and /or financial institutions where the Islamic deposits are placed may impact the value as well as liquidity of the Sukuk, Islamic money market instruments and/or Islamic deposits. In the case of rated Sukuk, Islamic money market instruments and financial institutions, this may lead to a credit downgrade.

Default risk relates to the risk that an issuer of a Sukuk, Islamic money market instrument or a financial institution where the Islamic deposits are placed either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the Sukuk, Islamic money market instruments and Islamic deposits. This could adversely affect the NAV of the target fund.

### Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the valuation of Sukuk and/or Islamic money market instruments. When interest rates rise, Sukuk and/or Islamic money market instruments prices generally decline and this may lower the market value of the target fund's investment in Sukuk and/or Islamic money market instruments. The reverse may apply when interest rates fall. Meanwhile, Sukuk and/or Islamic money market instruments with longer maturities and lower profit rates are more sensitive to interest rate changes.

**RISKS (CONTINUED)**

**Equity Risk**

As the target fund will be investing in Shariah-compliant equities, the target fund will be affected by equity risk. Generally, equity risk may arise in the following forms, i.e., equity risks related to external factors and equity risks related to company-specific factors. All of these related equity risks can adversely affect the prices of equities, which would negatively impact the performance of the target fund.

**Country Risk**

The target fund is also subject to country risk. The value of the assets of the target fund may also be affected by the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the target fund may invest in. Further, when investing in foreign markets, there are countries which may require prior approvals before investments can take place.

**Source : UOB Asset Management (Malaysia) Berhad**  
**Date : 31 July 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.