

# Sun Life Malaysia Islamic Deposit Fund

September 2022



## FUND OBJECTIVE

The Fund aims to provide investors with liquidity and regular income, whilst maintaining capital stability by investing primarily in Islamic deposits placements that comply with the Shariah principles.

## FUND DETAILS

Launch Date	18 January 2019	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	336,256 units (30 September 2022)	Fund Size	RM360,204 (30 September 2022)
Unit NAV	RM1.0712 (30 September 2022)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Islamic Deposit Fund
Benchmark	Islamic Interbank Overnight Rate	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ Seek liquid and low risk investment with a short-term investment horizon</li> <li>▪ Want a Shariah-compliant investment.</li> <li>▪ Seek for security and flexibility in investment.</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 Deposit Fund.</li> <li>▪ Up to 0.30% of the NAV of the fund, accrued on a daily basis by the Principal Asset Management Bhd.</li> </ul>

## ASSET ALLOCATION OF THE TARGET FUND

Time / Term Deposit	95.39%
Cash	4.61%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

Bank Islam Malaysia Bhd	16.77%
RHB Islamic Bank Bhd	14.88%
CIMB Islamic Bank Bhd	14.88%
Hong Leong Islamic Bank Bhd	9.04%
Bank Muamalat Malaysia Bhd	7.58%
Maybank Islamic Bhd	7.29%
Al Rajhi Bank Malaysia Bhd	6.71%
Alliance Islamic Bank Malaysia Bhd	6.71%
Public Islamic Bank Bhd	6.14%
AmBank Islamic Berhad	5.40%
Total	95.39%

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## PERFORMANCE RECORD

This fund feeds into Principal Islamic Deposit Fund (“target fund”) with the objective to provide investors with liquidity and regular income, while maintaining capital stability by investing primarily in Islamic deposit placements with licensed Islamic financial institutions that comply with Shariah principles.

Table below shows the investment returns of Sun Life Malaysia Islamic Deposit Fund versus its benchmark as at 30 September 2022:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	1.35	0.18	0.52	0.94	1.77	5.73	7.12
<b>Benchmark</b>	1.47	0.20	0.58	1.05	1.92	6.20	8.76

\* 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

The Fund delivered 0.18% in the month of September 2022, underperforming the benchmark by 2bps, and delivered 1.77% in the 12-months period ending 30 September 2022, underperforming the benchmark by 15bps.

During its September meeting, the Monetary Policy (“MPC”) of Bank Negara Malaysia (“BNM”) decided to increase the Overnight Policy Rate (“OPR”) by 25 basis points to 2.50%. The ceiling and floor rates of the corridor of the OPR are correspondingly increased to 2.75% and 2.25% respectively. In its statement, BNM continues to reiterate that any adjustments to the monetary policy settings going forward would be done in a measured and gradual manner, ensuring that monetary policy remains accommodative to support a sustainable economic growth in an environment of price stability.

Malaysia’s inflation rate in August increased 4.7% YOY with the increase mainly contributed by Food & Non-Alcoholic Beverages which increased by 7.2%. The inflation for the period of January to August increased 3.1% as compared to the same period of the previous year. Core inflation was up to +3.8% YoY (Jul 2022: +3.4% YoY).

Exports and imports growth surged in Aug 2022 by +48.2% YoY (July 2022: +38% YoY) and +67.6% YoY (July 2022: +41.8% YoY). Trade surplus was +MYR16.9b (July 2022: +MYR15.6b). In July-Aug 2022, exports and imports rose +43.1% YoY (2Q 2022: +29.9% YoY) and +53.9% YoY (2Q2022: +36% YoY) while trade surplus fell -6.3% YoY to +MYR32.5b (2Q2022: +3.1% YoY to +MYR58b).

We limit our investment exposure to short-term deposit placements due to the very low risk nature of the Fund.

## RISKS

<b>Returns not guaranteed</b>	The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment returns, nor any assurance that the target fund's investment objective will be achieved.
<b>General market environment risk</b>	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.
<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>Financing risk</b>	This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments.
<b>Manager's risk</b>	This risk refers to the day-to-day management of the target fund by Principal which will impact the performance of the target fund, e.g. investment decisions undertaken by Principal as a result of an incorrect view of the market may adversely affect the performance of the target fund.
<b>Reclassification of Shariah non-compliant status risk</b>	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, the Shariah boards of the relevant Islamic indices or the Shariah adviser of the issuer.
<b>Credit and default risk</b>	<p>Investment of the target fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. Principal aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.</p> <p>Investment in the target fund is not the same as placing funds in a Shariah-compliant deposit with a licensed Islamic financial institution. There are risks involved and investors should rely on their own evaluation to assess the merits and risks when investing in the target fund.</p>

Source : *Principal Asset Management Berhad*

Date : *30 September 2022*

### 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 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.