

# Sun Life Malaysia Islamic Deposit Fund

October 2021



## 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	303,279 units (29 October 2021)	Fund Size	RM319,694 (29 October 2021)
Unit NAV	RM1.0541 (29 October 2021)	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

Money Market	99.92%
Cash	0.08%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

RHB Islamic Bank Bhd	19.44%
Public Islamic Bank Bhd	19.32%
CIMB Islamic Bank Bhd	18.55%
Maybank Islamic Bhd	15.17%
AmBank Islamic Bhd	11.34%
Hong Leong Islamic Bank Bhd	8.97%
Affin Islamic Bank Bhd	5.01%
Bank Islam Malaysia Bhd	2.11%
Total	99.92%

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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 29 October 2021:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	1.35	0.14	0.42	0.80	1.59	N/A	5.41
<b>Benchmark</b>	1.45	0.15	0.44	0.87	1.74	N/A	6.87

\* 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 0.14% in the month of October 2021, underperforming the benchmark by 1bps, and delivered 1.59% in the 12-months period ending October 2021, underperforming the benchmark by 15bps.

With 74.9% of the total population (adults: 95.5%) being fully vaccinated as at 31st October, the COVID-19 situation in Malaysia has seen meaningful improvement - with average cases falling drastically in October to 7,289 cases (Sep: 16,648; Aug: 20,419). The 7-day average for the daily hospital admissions and patients in ICU have declined to 1,273 (from 1,851 at end-Sept) and 573 (from 1,000 at end-Sept), respectively. The utilization rate for both hospitalization and ICU have also eased to 65.8% and 59.3%, respectively.

During the month, PM Ismail permitted interstate & overseas travelling, and also eased the movement restrictions further in most states. As at end-October, seven states are in Phase 3 and the remaining nine states (including Klang Valley) are in Phase 4 as per the National Recovery Plan (broadly in-line with BNM’s expectations).

Budget 2022 featured the largest expenditure ever at RM332.1 billion, with higher allocations to OPEX and record high DEVEX but lower COVID-19 expenditure - with consumers and SMEs being the standout beneficiaries from the expansionary budget. The deficit ratio is expected to decline to 6.0% of GDP (from 6.5%), largely relying on the rebound in nominal GDP between +7.7% - 8.7% in 2022. Under the Medium-Term Fiscal Framework, the MoF is targeting the fiscal deficit to average at 5.0% of GDP from 2022 - 2024, which implies the fiscal deficit target to consolidate to 4.7% in 2023 and 4.3% in 2024, and further consolidating to 3.0 - 3.5% by 2025 under the 12th Malaysian Plan.

BNM kept policy rate unchanged in the September 2021 meeting, with expectations for a relatively subdued 2022 core CPI signaling a bias for policy to stay accommodative and extended pause for now as the current pace of vaccination move closer to BNM’s “faster recovery” scenario. With the MPC reiterating data-dependence, we tentatively see the first hike commencing in 2H2022 as the recovery broadens and labor market slack diminishes.

We limit our investment exposure to short-term Islamic 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 : *29 October 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.