

Sun Life Malaysia Islamic Deposit Fund

December 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	321,284 units (31 December 2021)	Fund Size	RM339,576 (31 December 2021)
Unit NAV	RM1.0569 (31 December 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"> ▪ Seek liquid and low risk investment with a short-term investment horizon ▪ Want a Shariah-compliant investment. ▪ Seek for security and flexibility in investment. 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Deposit Fund. ▪ Up to 0.30% of the NAV of the fund, accrued on a daily basis by the Principal Asset Management Bhd.

ASSET ALLOCATION OF THE TARGET FUND

Money Market	99.18%
Cash	0.82%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Public Islamic Bank Bhd	19.34%
CIMB Islamic Bank Bhd	19.13%
RHB Islamic Bank Bhd	18.75%
AmBank Islamic Bhd	16.07%
Maybank Islamic Bhd	14.88%
Hong Leong Islamic Bank Bhd	5.06%
Bank Islam Malaysia Bhd	4.46%
Bank Muamalat Malaysia	1.49%
Total	99.18%

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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 31 December 2021:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	1.62	0.14	0.41	0.81	1.62	N/A	5.69
Benchmark	1.74	0.15	0.44	0.88	1.74	N/A	7.17

* 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 December 2021, underperforming the benchmark by 1bps, and delivered 1.62% in the 12-months period ending 31 December 2021, underperforming the benchmark by 12bps.

As of 31st December 2021, Malaysia’s first dose/fully vaccinated ratio currently stood at 79.6%/78.4% of the total population. (98.9%/97.7% of the adult population and 90.5%/87.6% for adolescents). As for booster shots, it has reached around 19.4% of the total population. The country’s national ICU utilization stood at 53.3% (November:61.3%) with Klang Valley at 69.2% (November: 75.4%) as of 1st January 2022. Meanwhile, the Government has revised the booster dose vaccination interval period to three months, including for Pfizer and Astra Zeneca primary recipients. Overall, the pandemic trajectory looks to be on a broad downtrend after the August’s peak. However, in the near term the risk of merging variants or rebound in cases could derail the economy growth.

Industrial Production improved by 5.5% YoY in October 2021 as compared to 2.5% YoY increase in September. The increase was mainly attributable to higher manufacturing output (+8.0%) and electricity output (+4.1%) while mining sector production dropped (-3.5%). On a MoM basis, the Industrial Production increased by 4.8% as against 3.7% in the previous month.

Consumer Price Index showed an increase of 3.3% in November 2021 (October: +2.9%) surpassing the long-term average headline inflation of 1.6%. The increase was primarily driven by the increase in transportation (+ 12.7%), housing, water, electricity, gas & other fuels (+3.4%).

Malaysia’s trade continued to improve with total trade up by 34.9% YoY to RM205.5 billion. Trade surplus in November 2021 surged by 10.5% to RM18.9 billion in November 2021 as exports rose by 32.4% YoY and imports increased by 38.0% YoY. The better export performance for the month was supported mainly by strong exports of electrical and electronics products, petroleum products as well as palm oil and palm oil-based agriculture products.

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

RISKS

Returns not guaranteed	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.
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.
Financing risk	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.
Manager's risk	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.
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, the Shariah boards of the relevant Islamic indices or the Shariah adviser of the issuer.
Credit and default risk	<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 : *31 December 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.