

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	344,329 units (29 July 2022)	Fund Size	RM367,542 (29 July 2022)
Unit NAV	RM1.0674 (29 July 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"> ▪ 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

Time / Term Deposit	99.74%
Cash	0.26%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Bank Bhd	18.87%
RHB Islamic Bank Bhd	18.55%
Maybank Islamic Bhd	13.11%
Hong Leong Islamic Bank Bhd	12.79%
Public Islamic Bank Bhd	10.51%
Al Rajhi Bank (Malaysia) Bhd	8.63%
Bank Islam Malaysia Bhd	6.08%
AmBank Islamic Berhad	6.08%
Bank Muamalat Malaysia Bhd	5.12%
Total	99.74%

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 July 2022:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
Fund*	0.99	0.16	0.44	0.85	1.69	5.86	6.74
Benchmark	1.08	0.19	0.51	0.93	1.82	6.31	8.34

* 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 0.16% in the month of July 2022, underperforming the benchmark by 3bps, and delivered 1.69% in the 12-months period ending 29 July 2022, underperforming the benchmark by 13bps.

Bank Negara Malaysia (“BNM”) increased the Overnight Policy Rate (“OPR”) by 25bps from 2.00% to 2.25% at its July meeting. This is the second time BNM has increased the OPR this year. In its statement, it is mentioned that amid the growth prospects for the Malaysian economy, BNM decided to further adjust the degree of monetary accommodation, consistent in its view that the unprecedented conditions that necessitated a historically low OPR have continued to recede.

However, BNM highlighted that downside risks to growth continue to stem from a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions suggesting any adjustments to the OPR moving forward will be done in a measured and gradual manner.

Headline inflation continued to rise further for the third consecutive month to 3.4% YoY in June 2022 from 2.8% in May (market consensus: 3.2%). The increase was led by sustained price increases in most key sectors with the biggest increase seen in the food category. Food and non-alcoholic beverages went up by 6.1% YoY in June from 5.2% in May. Core inflation up by 3.0% in June as compared to 2.4% in the previous month.

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 : 29 July 2022

Disclaimer:

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