

Sun Life Malaysia

Islamic Global Balanced Fund

July 2022



FUND OBJECTIVE

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

FUND DETAILS

| | | | |
|----------------------|--|--------------|--|
| Launch Date | 19 April 2021 | Domicile | Malaysia |
| Currency | Ringgit Malaysia | Launch Price | RM1.0000 |
| Units in Circulation | 9.89 million units (29 July 2022) | Fund Size | RM 8.82 million (29 July 2022) |
| Unit NAV | RM0.8913 (29 July 2022) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | UOB Asset Management (Malaysia) Berhad | Target Fund | United-i Global Balanced Fund MYR Hedge class |
| Benchmark | 50% S&P Global BMI Shariah Index + 50% Dow Jones Sukuk Index | Taxation | 8% of annual investment income |
| Risk Profile | <p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ seek an investment that provides income and capital appreciation; ▪ have a moderate risk tolerance; ▪ want a portfolio of investments that adhere to Shariah principles; and ▪ want to have investment with global exposure. | Fees | <ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Global Balanced Fund. ▪ Up to 1.8% p.a. fund management charge is applied on the target fund's NAV by UOB Asset Management (Malaysia) Berhad. |

ASSET ALLOCATION OF THE TARGET FUND

| Sukuk & Islamic Money Market Instruments | Shariah-compliant Equities | Others |
|--|----------------------------|-------------------|
| Min 40%; Max 60% | Min 40%; Max 60% | Remaining Balance |

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SECTOR ALLOCATION OF THE TARGET FUND (EQUITIES)

| | |
|----------------------------|--------|
| Technology | 16.60% |
| Consumer Products | 9.89% |
| Health Care | 8.72% |
| Industrial Products | 4.84% |
| Materials | 2.74% |
| Telecommunication Services | 2.57% |
| Energy | 1.78% |
| Real Estate | 0.84% |
| Financials | 0.57% |
| Utilities | 0.26% |
| Total | 48.82% |

SECTOR ALLOCATION OF THE TARGET FUND (SUKUK)

| | |
|-----------------------------|--------|
| Infrastructures & Utilities | 17.78% |
| Government | 12.86% |
| Financials | 5.25% |
| Telecommunication | 1.77% |
| Transportation & Logistics | 1.55% |
| Property & Real Estate | 1.52% |
| Industrial Products | 0.77% |
| Energy | 0.64% |
| Basic Materials | 0.17% |
| Total | 42.32% |

PORTFOLIO ALLOCATION

| | |
|--------|---------|
| Equity | 48.82% |
| Bonds | 42.32% |
| Cash | 8.86% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

| Bonds Issuer | Coupon | Maturity Date | % |
|--------------------------------|--------|---------------|------|
| GII MURABAHAH 1/2022 | 4.193 | 07/10/32 | 1.59 |
| GII MURABAHAH 1/2020 | 3.422 | 30/09/27 | 1.54 |
| GII MURABAHAH 2/2020 | 3.465 | 15/10/30 | 1.51 |
| KSA SUKUK | 2.969 | 29/10/29 | 1.34 |
| SAUDI ELECTRICITY GLOBAL SUKUK | 4.723 | 27/09/28 | 1.09 |

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

| | |
|-------------------|-------|
| MICROSOFT ORD | 2.93% |
| APPLE ORD | 2.75% |
| AMAZON COM ORD | 2.39% |
| ALPHABET CL A ORD | 1.60% |
| NESTLE N ORD | 0.87% |

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 29 July 2022:

| % | YTD | 1M | 3M | 6M | 1-Years | 3-Years | Since Inception |
|------------------|--------|------|-------|--------|---------|---------|-----------------|
| Fund* | -13.83 | 4.15 | -3.93 | -10.07 | -10.87 | N/A | -10.87 |
| Benchmark | -12.13 | 5.12 | -0.49 | -7.71 | -9.84 | N/A | -4.30 |

* 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

Equity

Strong selection in consumer discretionary was partially offset by selection in materials, industrials and health care. On a regional basis, weak stock selection in North America, United Kingdom and Japan was modestly offset by selection in Emerging Markets. Within consumer discretionary and information technology, our top relative contributors were overweights to Amazon.com and Marvell Technology, respectively. Within industrials and health care, our top relative detractors were overweights to Airtac International and Pfizer, respectively. Shares of Amazon rose during the period after the e-commerce giant reported better-than-expected second-quarter results and provided an upbeat forecast. Amazon Web Services grew 33% year-over-year, while overall revenues grew by 7% from the same quarter a year ago. Shares of Airtac International declined during the month, as June sales were down year over year and month over month. Order intake continued to be higher than shipments during the month but some shipments were affected by COVID- related controls in some cities in China, and some shipments were postponed, as customers are waiting for more clarity on the stimulus policies from local governments.

Sukuk

The Sukuk sleeves is underperformed due to longer duration of sukuk as we are holding shorter duration sukuk. Government National and Industrial were the main detractors. We will re-evaluate our portfolio strategy for better investment opportunity. Our credit exposure, GCC region accounted by 44.83%, included by Saudi Arabia (SA) (19.18%), United Arab Emirates (UAE) (19.67%), Qatar (3.86%) and Kuwait (1.19%). Our exposure in Malaysia and Indonesia are remains on 41.58% and 14.51% respectively.

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 | <p>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.</p> <p>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.</p> |
| 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 : 29 July 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.