

# Sun Life Malaysia Islamic Deposit Fund

October 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	326,281 units (31 October 2022)	Fund Size	RM350,250 (31 October 2022)
Unit NAV	RM1.0735 (31 October 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	99.34%
Cash	0.66%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

RHB Islamic Bank Bhd	19.67%
Bank Islam Malaysia Bhd	18.24%
Hong Leong Islamic Bank Bhd	13.64%
CIMB Islamic Bank Bhd	8.25%
Public Islamic Bank Bhd	7.97%
Maybank Islamic Bhd	7.93%
AmBank Islamic Berhad	7.46%
Al Rajhi Bank Malaysia Bhd	6.35%
Bank Muamalat Malaysia Bhd	5.71%
Alliance Islamic Bank Malaysia Bhd	4.12%
Total	99.34%

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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 October 2022:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	1.57	0.21	0.57	1.02	1.84	5.70	7.35
<b>Benchmark</b>	1.69	0.21	0.60	1.12	1.98	6.16	8.98

\* 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 0.21% in the month of October 2022, in line with the benchmark and delivered 1.57% in the 12-months period ending 31 October 2022 which was underperforming the benchmark by 12bps.

Malaysia’s inflation rate was recorded at 4.5% YoY in September, moderating from the 4.7% YoY recorded in August. The moderation in inflation was attributed to the food group which moderated to 6.8% compared with 7.2% in August.

Malaysia’s trade continued its upward trajectory in September rising by 31.4% YoY. Exports increased by 30.1% YoY while imports expanded by 33% YoY. Trade in 3Q2022 surged by 42% YoY to RM774.98 billion. On a MoM basis, exports increased by 2.2% and the trade surplus rose 86.1%, while trade contracted by 3.2% and imports shrank by 9.4%.

Budget 2023 was tabled on 7 October followed by the dissolution of the Parliament on 10 October 2022. Following that, the 15th General Elections was announced to be held on 19 November with nomination day to be on 5 November.

Budget 2023 was mildly expansionary as it proposed a total expenditure of RM372.3 billion, higher than the proposed RM332 billion for Budget 2022. The proposed spending for 2023 is nevertheless lower than the estimated spending of RM385.3 billion where the latter included the Covid fund. There was an increase in development expenditure to RM95 billion from RM76 billion. A lower fiscal deficit target is set for 2023 at 5.5% of GDP (2022: 5.8% of GDP (revised) vs. 6.0% budgeted). The target is higher than previously guided under MTFB Budget 2022.

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 : 31 October 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.