

Sun Life Malaysia Islamic Global Balanced Fund

April 2021



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
Unit NAV	RM1.0000 (30 April 2021)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	UOB Asset Management (Malaysia) Berhad	Target Fund	United-i Global Balanced Fund MYR Hedged 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. ▪ 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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FUND MANAGER'S COMMENTS

Equity

Global equities advanced for the third consecutive month. Markets were fuelled by a sharp increase in global economic growth, fiscal and monetary stimulus, strong corporate earnings, and accelerating vaccine rollouts. In April, the global total of COVID-19 vaccines administered so far surpassed the one billion mark, bolstering optimism that businesses in many countries can continue to reopen as lockdowns and restrictions are eased. Despite the significant progress in vaccine efforts, the case count worldwide reached new highs due to a devastating surge in India, an extremely large number of cases in Latin America, and a spike in infections across many countries in Asia. US GDP grew at an annualized rate of 6.4% in the first quarter, and China's economy expanded by a record 18.3% in the first quarter compared to a year earlier, as the world's two largest economies continued to rapidly recover from a deep coronavirus-induced trough in early 2020. The S&P Global BMI Shariah returned 4.8% for the period. Within the index, 10 out of 11 sectors rose over the period. Financials and communication services were the top performing sectors, while utilities and energy were the bottom performing sectors over the month.

Sukuk

On YTD basis, the US Treasuries ("UST") curve flattened with 2-year UST yield unchanged at 0.16% and the 10-yr UST yield tighten by 11bps to 1.63% as at End-April. Changes in direction of the yields was largely driven by the Federal Reserve (Fed) decision to maintain policy unchanged at the April FOMC, holding the Fed Funds rate at 0.25% on the upper bound and continued its monthly asset purchases of USD120 billion per month. Although Fed has upgraded its outlook for the US economy, chair Jerome Powell cited that the economy was still "along way from our goals" and pushed back against any incipient tapering of accommodative policy. Consequently, the Dow Jones Sukuk ("DJSI") Index registered positive return of 0.78% in April (March:-0.46%).

In the latest International Monetary Fund (IMF)'s Economic Outlook published April 2021, the IMF upgraded its 2021 growth forecast for the Gulf Cooperation Council (GCC) region to 2.7% from 2.3% previously, following its upgrade on the Global economic 2021 growth forecast to 6.0% from 5.5%. The IMF citing early vaccine rollouts and optimism on oil sector growth in the GCC as the main drivers. The better than expected oil prices offers additional support to the countries' balance sheets and fiscal plans to further stimulate its economy.

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 : 30 April 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.