

# Sun Life Malaysia Islamic Deposit Fund

September 2023



## 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	367,781 units (29 September 2023)	Fund Size	RM406,655 (29 September 2023)
Unit NAV	RM1.1057 (29 September 2023)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Islamic Deposit Fund - Class AI
Benchmark	Islamic Interbank Overnight Rate	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <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

Shariah-compliant Money Market	99.25%
Cash	0.75%
Total	100.00%

## TOP HOLDINGS OF THE TARGET FUND

RHB Islamic Bank Bhd	2.64%
CIMB Islamic Bank Bhd	2.64%
Hong Leong Islamic Bank Bhd	2.64%
Public Islamic Bank Bhd	2.51%
Bank Islam Malaysia Bhd	2.49%
AmBank Islamic Bhd	2.46%
AI Rajhi Bank M Bhd	2.38%
AmBank Islamic Bhd	2.38%
Public Islamic Bank Bhd	2.25%
Hong Leong Islamic Bank Bhd	2.12%
Total	24.51%

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## PERFORMANCE RECORD

This fund feeds into Principal Islamic Deposit Fund - Class AI (“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 September 2023:

%	YTD	1M	3M	6M	1-Year	3-Years	Since Inception
<b>Fund*</b>	2.50	0.25	0.80	1.65	3.22	6.70	10.57
<b>Benchmark</b>	2.17	0.25	0.76	1.49	2.86	6.66	11.84

\* 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 0.25% in the month of September 2023 which in line with the benchmark and delivered 3.22% in the 12-months period ending 30 September 2023, outperforming the benchmark by 36bps.

In September, BNM kept the overnight policy rate (OPR) unchanged at 3% for the second consecutive meeting as it expects growth will continue to be supported by resilient domestic expenditure amid the challenging external environment. The central bank has dropped the “slightly accommodative” phrase, highlighting that the prevailing OPR level is consistent with the current assessment of the inflation and growth outlook, which remains supportive of the economy.

Headline CPI remained unchanged at 2.0% in August, similar to the growth recorded in July 2023. The inflation recorded was mainly due to slower growth in restaurants and hotels, which fell to 4.7% from 5.0% in July; food and non-alcoholic beverages (4.1% against 4.4% in July 2023), as well as miscellaneous goods and services which moderated to 2.4% from 2.6% in the previous month. Exports fell more than expected for a 2nd straight month, by 18.6% YoY in Aug’23 (Jul’23: -13.1% YoY), while imports also registered a bigger than expected contraction of 21.2% YoY (Jul’23: -15.9% YoY) amid worsening imports of intermediate and consumption goods. This marked its 6th straight month of decline and the worst since May’20 during the peak of the pandemic era, reaffirming a still weak external trade environment that would impede overall growth in 3Q. The trade surplus however, inched marginally higher MoM to RM17.3 billion in Aug’23 (Jul’23: RM17.1 billion), as imports fell at a faster pace (-1.6% MoM) relative to exports (-1.4% MoM). Malaysia’s industrial production index (IPI) bounced back into positive territory with 0.7% YoY growth in Jul’23 (Jun’23: -2.2% YoY), backed by the expansion in the mining sector (Jul’23: 4.2%, Jun’23: -6.4%) and the electricity sector (July’23: 1.5%. Jun’23: 2.8%).

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 : *29 September 2023*

### 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.