

Sun Life Malaysia

Islamic Global Balanced Fund

September 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
Units in Circulation	2.31 million units (30 September 2021)	Fund Size	RM 2.29 million (30 September 2021)
Unit NAV	RM0.9921 (30 September 2021)	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

Sun Life Malaysia Takaful Berhad 200501012215 (689263-M)

Level 11, 338 Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur

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SECTOR ALLOCATION OF THE TARGET FUND (EQUITIES)

Technology	16.13%
Consumer Products	9.55%
Health Care	8.96%
Industrial Products	6.07%
Telecommunication Services	3.90%
Materials	2.10%
Energy	1.04%
Real Estate	0.50%
Financials	0.32%
Utilities	0.18%
Total	48.75%

SECTOR ALLOCATION OF THE TARGET FUND (SUKUK)

Infrastructures & Utilities	20.93%
Government	9.07%
Financials	5.91%
Telecommunication	1.97%
Transportation & Logistics	1.75%
Property & Real Estate	0.83%
Energy	0.69%
Basic Materials	0.19%
Total	41.34%

PORTFOLIO ALLOCATION

Equity	48.75%
Bonds	41.34%
Cash	9.91%
Total	100.00

TOP HOLDINGS OF THE TARGET FUND (SUKUK)

Bonds Issuer	Coupon	Maturity Date	%
KSA SUKUK LTD	2.969	10/29/29	1.48
SAUDI ELEC GLB SUKUK	4.723	09/27/28	1.22
KSA SUKUK LTD MTN	4.303	01/19/29	1.20
PERUSAHAAN PENERBIT SBSN MTN	4.150	03/29/27	1.16
KSA SUKUK LTD MTN	3.628	04/20/27	1.16

TOP HOLDINGS OF THE TARGET FUND (EQUITIES)

MICROSOFT ORD	2.25%
APPLE ORD	2.15%
ALPHABET CL A ORD	1.71%
AMAZON COM ORD	1.64%
FACEBOOK CL A ORD	1.09%

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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 30 September 2021:

%	YTD	1M	3M	6M	1-Years	3-Years	Since Inception
Fund*	-0.79	-2.42	-0.79	-0.79	N/A	N/A	-0.79
Benchmark	4.63	-2.79	-0.41	4.63	N/A	N/A	4.63

* 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

Global equities fell for the first time in eight months. Markets contended with pandemic uncertainty, moderating economic growth, the imminent prospect of reduced quantitative easing and policy tightening, and persistent supply-chain dislocations that have amplified the risk of more sustained inflation. Global equities fell sharply after a debt crisis at one of China's largest property developers destabilized financial markets and sparked fears about lasting damage to China's credit conditions and its economy. An energy supply crunch is looming in Europe and Asia, as soaring prices for natural gas and coal are driving inflation higher and posing risks to the global economic recovery. Germany faces a period of political uncertainty after a victory by the Social Democratic Party in a tightly contested general election paved the way for talks to form a new coalition government. On the monetary policy front, US Federal Reserve Chair Jerome Powell indicated that the central bank could begin scaling back asset purchases as soon as November and complete the process by mid-2022, after officials revealed a growing inclination to raise interest rates next year. The European Central Bank kept its monetary policy unchanged but opted to slow the pace of net asset purchases under its Pandemic Emergency Purchase Programme. The S&P Global BMI Shariah returned -5.1% for the month. Within the index, 10 out of 11 sectors declined over the period. Communication services and materials were the bottom performing sectors, while energy and financials were the top performing sectors for the period.

Sukuk

The US Federal Reserve issued the much-anticipated taper signal during its policy rate decision announcement, this changes the dot plot, moving the first rate hike from 2023 to 2022. Fed also implying that the tapering might be announced on the next FOMC meeting on 2-3 November 2021. The US GDP growth forecast for 2022 to 3.8%. Inflation was raised to 4.2% and 2.2% for 2021 and 2022, respectively, from 3.4% and 2.1%. President Joe Biden approved a temporary measure to keep the government financed until early December 2021, narrowly avoiding a government shutdown. Sukuks demand remains strong as issuers aim to diversify funding and meet looming maturities. Although fewer sovereign finance needs may arise from improved oil prices, less pandemic-related support, and the economic recovery, one-time or rare sukuk issuance is projected to underpin 2021 levels. For Malaysia, the government thru its Twelfth Malaysia Plan (12MP) will be focusing on three themes. i) Resetting the economy, ii) Improving security, well-being, and inclusion iii) Improving sustainability. The annual GDP growth prediction for the 12MP is between 4.5% and 5.5%, which is much higher than the 2.7% average growth rate from 2015 to 2020. The allocation for development expenditure was larger, at RM400 billion compared to RM248 billion in the 11MP. The fiscal deficit target under 12MP is 3.0-3.5% of GDP by 2025, down from 6.5-7.0% in 2021. As Malaysia vaccination rate improved, the Klang Valley will enter Phase 3 on October 1, 2021, with interstate travel restrictions eased and tourism hubs reopening once 90% of Malaysian adults have been properly vaccinated (now at 88.0%). Furthermore, local firms are permitted to operate at full capacity if the employers and all employees are properly vaccinated.

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 September 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.