

# PB SUKUK FUND



Launch Date: 6 September 2011  
Initial Issue Price: RM1.00 per unit

Distributor:



**PUBLIC BANK**  
94014  
Excellence In Our Commitment

Manager:



**PUBLIC MUTUAL**  
020040  
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## PB SUKUK FUND (PBSKF)

### Fund Profile

Category of Fund	Bond fund (Shariah)
Type of Fund	Income
Security Selection Profile of Fund	Sukuk and Islamic money market instruments
Distribution Policy*	Annual income
Investor's Risk Profile**	Conservative
Suggested Minimum Investment Period***	3 years
Designated Fund Managers	Ng Boon Hoa and Haniza binti Yang Razali

#### Notes:

- \* **Annual income** implies that the fund will distribute income annually to unitholders, subject to the availability of income and/or realised gains and the provisions of the SC Guidelines.
- \*\* **Conservative** indicates an investor's risk disposition favouring safety of principal and stability of income, but recognises that it is possible to incur losses by investing in the fund.
- \*\*\* **Suggested minimum investment period** is a guide only. Investors should review their investment in the fund on a regular basis to ensure it continues to meet their investment needs or goals.

### *Investor Profile*

- conservative risk-reward temperament
- medium term investor
- seek stability of annual income with some safety of principal

*Note: Medium term refers to a period of 3 to 5 years.*

### *Investment Policy*

PBSKF is actively managed and invests in a diversified portfolio of sukuk and Islamic money market instruments to meet its objective of providing annual income to unitholders. Its sukuk investments comprise sovereign sukuk and corporate sukuk (listed and unlisted).

## SUMMARY OF KEY DATA OF THE FUNDS

<b>Fund Objective</b>	<p>To provide annual income* through investments in sukuk and Islamic money market instruments</p> <p>Note : * Distribution (if any) will be reinvested unless unitholders opt for distribution to be paid out.</p>
<b>Risk Profile of Fund</b>	<p>Low Risk</p>
<b>Investor Profile</b>	<p>Medium term investors with conservative risk-reward temperament i.e. the investor's risk disposition favoring safety of principal and stability of income but recognize that it is possible to incur losses by investing in the fund.</p> <p>Note : Medium term refers to a period of 3 to 5 years.</p>
<b>Benchmark</b>	<p>12-month General Investment Account rates quoted by Islamic Banks and commercial banks (Islamic banking scheme)</p> <p>Note : PBSKF has the potential to deliver higher returns than its benchmark in view that it carries higher risk than General Investment Account.</p>
<b>Principal Risks</b>	<p>Interest rate risk, credit risk, liquidity risk and risk of non-compliance with Shariah requirements.</p>
<b>Designated Fund Managers</b>	<p>Mr Ng Boon Hoa and Cik Haniza binti Yang Razali</p>

## BENEFITS OF INVESTING IN UNIT TRUSTS

Besides the potential for capital growth over the long-term period, unit trusts also provides other recognised benefits that makes them attractive relative to other investment avenues. Among them are as follows:

1. **Diversification:** Diversification involves the process of spreading risk over a broad portfolio of stocks and bonds in different companies, sectors, countries or regions. This can only be done with substantial amounts of monies to buy a wide variety of stocks. Unit trusts facilitate the diversification process through providing small investors with an avenue to pool their savings for the purchase of a diversified portfolio of stocks and bonds that will bring returns at lower risks to unitholders compared with investing directly in stock markets.
2. **Professional Management:** Unit trusts are managed by professional fund managers with the expertise and resources to manage the assets of the fund. The investors thus benefit from this professional fund management of their investments in the fund at an affordable (shared) cost.
3. **Liquidity:** Unitholders may redeem all or part of their units on any Business Day and have their proceeds mailed to them within 10 days.
4. **Ease of Transactions:** Unit trusts do not require cumbersome administrative or paperwork or record keeping on the part of unitholder in managing his investments.
5. **Capital Gains:** Through participation in securities, unit trust investments provide the opportunity to reap capital growth as part of the return on a unitholder's investment.

## DOLLAR-COST AVERAGING PRINCIPLE

The Principle of Dollar-Cost Averaging involves a disciplined regular investment technique which may be applied to maximum effect in unit trust investing. Based on this principle, all that an investor has to do is to invest a regular sum of money with a selected unit trust fund over a period of time. This way, he does not have to worry about market timing, or where shares prices or interest rates are headed. **His regular investment amount will buy him less units when the market is up, and more units when the market is down. He will thus be able to accumulate units at an average cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect.**

**However, investors should note that regular investments do not assure a profit and do not protect against loss in declining markets. Since such regular investment technique involves continuous investment in a selected unit trust fund, investors should consider their financial ability to continue purchases through periods of low price levels. Past performance is no guarantee of future results.**

Let's take a walk through the illustration below and see for yourself the benefits of dollar-cost averaging through regular savings/investments in a unit trust fund called Fund A.

***Illustration:***

*Let us assume that Investor A decided to invest a monthly savings of RM400 with the fund over a period of 24 months.*

As shown in the tables below, with monthly investments of RM400, Investor A was able to buy/accumulate more units per investment amount of RM400 per month when the NAV per unit was lower, and less units when the NAV per unit was higher. In the first 12 months (Table 1), Investor A thus managed to accumulate a total of 8,026.47 units at an average cost of RM0.5980 per unit when the market was on the uptrend. **Note that the units have an average cost of RM0.5980 whereas the average NAV per unit over the period was higher at RM0.6008.** During the next 12 months (Table 2), Investor A managed to accumulate a total of 9,270.36 units at an average cost of RM0.5178 per unit when the market was on a downtrend. **Once again, note that the units have an average cost of RM0.5178 which is lower than the average NAV per unit over the period at RM0.5183.**

By regularly investing the same amount of money in the fund irrespective of price fluctuations, the units will be bought at an actual cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect of regular investments.

Although the dollar-cost averaging process can work with a series of lump sum investments, it operates better with investments made on a regular basis (ideally monthly) to maximise the advantage of the averaging process.

**Table 1 : Upmarket Scenario**

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
1	0.5453	400.00	733.54	733.54
2	0.5461	400.00	732.47	1,466.01
3	0.5553	400.00	720.33	2,186.34
4	0.5615	400.00	712.38	2,898.72
5	0.5695	400.00	702.37	3,601.09
6	0.6115	400.00	654.13	4,255.22
7	0.6225	400.00	642.57	4,897.79
8	0.6248	400.00	640.20	5,537.99
9	0.6315	400.00	633.41	6,171.40
10	0.6338	400.00	631.11	6,802.51
11	0.6415	400.00	623.54	7,426.05
12	0.6662	400.00	600.42	8,026.47

*First 12 months:*

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	8,026.47
Average cost of units procured	=	RM0.5980
Average NAV per unit over the period	=	RM0.6008

**Table 2 : Downmarket Scenario**

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
13	0.5453	400.00	733.54	733.54
14	0.5450	400.00	733.94	1,467.48
15	0.5330	400.00	750.47	2,217.95
16	0.5320	400.00	751.88	2,969.83
17	0.5210	400.00	767.75	3,737.58
18	0.5200	400.00	769.23	4,506.81
19	0.5185	400.00	771.46	5,278.27
20	0.5100	400.00	784.31	6,062.58
21	0.5025	400.00	796.02	6,858.60
22	0.4997	400.00	800.48	7,659.08
23	0.4970	400.00	804.83	8,463.91
24	0.4960	400.00	806.45	9,270.36

*Next 12 months:*

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	9,270.36
Average cost of units procured	=	RM0.5178
Average NAV per unit over the period	=	RM0.5183