

FUND OBJECTIVE

To achieve capital stability by investing in a portfolio of Shariah-compliant collective investment schemes that invests in Shariah-compliant equities and/or Sukuk.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	24,866 units (31 December 2019)	Fund Size	RM25,574 (31 December 2019)
Unit NAV	RM1.0285 (31 December 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Islamic Conservative Wholesale Fund-of-Funds
Benchmark	50% Quantshop GII Medium Index + 25% CIMB Islamic 1-month Fixed Return Income Account-I (FRIA-i) + 25% FTSE Bursa Malaysia EMAS Shariah Index	Taxation	8% of annual investment income
Risk Profile	Suitable for investors: <ul style="list-style-type: none"> ▪ Have a long-term investment horizon ▪ Have a low risk profile and seek for a potentially less volatile investment return ▪ Want a minimal exposure to Shariah-compliant equities investment ▪ Want a portfolio of investments that adhere to Shariah principles 	Fees	<ul style="list-style-type: none"> ▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Strategic Conservative Fund. ▪ Up to 1.2% of per annum fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Mutual Funds	Cash
89.52%	10.48%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	89.52%
Cash	10.48%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Sukuk Fund	46.89%
CIMB Islamic Enhanced Sukuk Fund	27.16%
CIMB Islamic DALI Equity Fund	15.47%
Total	89.52%

PERFORMANCE RECORD

This fund feeds into Principal Islamic Conservative Wholesale Fund-of-Funds (“target fund”) with the objective to achieve capital stability by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk.

Table below shows the investment returns of Sun Life Malaysia Islamic Strategic Conservative Fund versus its benchmark as at 31 December 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	3.05	0.21	0.47	1.05	3.05	N/A	2.85
Benchmark	5.10	1.04	1.03	1.46	5.10	N/A	5.50

* 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

In December, the Fund rose 0.21%, underperforming the Benchmark by 0.83%. Year-to-date (YTD), the Fund rose 3.05%, underperforming the Benchmark by 2.05%.

The FTSE Bursa Malaysia Kuala Lumpur Shariah Index (“FBMS”) ended the year on a better performance as compared to the KLCI, gaining 3.85%. In Dec, FBMS gained 3.06% as the continued surge in CPO prices led to a 9.4% surge in the plantation index. KLCI’s gains were contributed by gains were Sime Plantation (+9.4%), Petronas Gas (+8.5%) and IOI (+6.0%). Despite on-going trade tension, we expect growth to be sustained at a moderate rate going into 2020 underpinned by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy.

In the last FOMC meeting of 2019, Federal Reserve kept rate at 1.75% with officials agreed that the current interest rate stance is likely to remain unchanged for a period of time, despite raising concerns that low interest rates could exacerbate imbalances in the financial sector. Locally, marco data was scant in December with only the release of MGS/GII auction calendar for 2020. With a fiscal target of 3.2% of GDP in 2020, we think the supply profile is manageable. During the month, credit spreads movement were mixed with tenor shorter than 7-year mostly traded tighter while tenors longer than 7-year wider (+7 to -12bps). This is likely due to repricing from credit spreads from the primary market in December 2019. Overall, we continue to overweight on the corporate segment and look to opportunistically trade in the sovereign segment. For corporates, we continue to anchor the portfolio yields by cherry picking on issuers with stronger financial metrics and relatively higher yielding, preferably from the primary issuances.

Source : Principal Asset Management Bhd

Date : 31 December 2019

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.