

FUND OBJECTIVE

To achieve moderate capital growth by investing in a portfolio of Shariah-compliant collective investment schemes that invest 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	92,908 units (28 February 2019)	Fund Size	RM88,837 (28 February 2019)
Unit NAV	RM0.9562 (28 February 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	CIMB-Principal Asset Management Bhd	Target Fund	CIMB Islamic Balanced Wholesale Fund-of Funds
Benchmark	50% Quantshop GII Medium Index + 50% MSCI AC Asia ex Japan Islamic Index	Taxation	8% of annual investment income
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ Have a long-term investment horizon ▪ Want a balanced portfolio that includes Shariah-compliant equities and Sukuk ▪ 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 Balanced Fund. ▪ Up to 1.5% of per annum fund management charge is applied on the target fund's NAV by CIMB-Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Common Stock	Cash
90.25%	9.75%

SECTOR ALLOCATION OF THE TARGET FUND

Equities (Foreign)	45.85%
Mutual Fund	44.40%
Cash	9.75%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	45.85%
CIMB Islamic Enhanced Sukuk Fund	23.82%
CIMB Islamic Sukuk Fund	20.58%
Total	90.25%

PERFORMANCE RECORD

This fund feeds into CIMB Islamic Balanced Wholesale Fund-of-Funds (“target fund”) with the objective to achieve moderate capital growth 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 Balanced Fund versus its benchmark as at 28 February 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	1.83%	0.98%	0.71%	-2.55%	-3.12%	N/A	-4.38%
Benchmark	5.53%	0.57%	2.65%	-1.38%	-0.84%	N/A	-0.79%

***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 rose by 0.98% in February 2019, outperforming the benchmark by 0.41%. Year-to-date (YTD), the fund has underperformed the Benchmark by 3.70%. The Fund will stay fully invested in target funds.

4Q18 earnings season (which ended in Feb 2019) was another lackluster event. Consensus earnings for 2019 were cut by 3.7% which was largely driven by Tenaga and Maxis. Post 4Q18 earnings season, consensus 2019 growth has been lowered to below 3%. However, this is largely due to the steep earnings contraction in GENM's earnings following the imposition of casino tax hike. Excluding both Genting companies from the KLCI, earnings growth for 2019 would be around 5-6%.

Despite all the global geopolitical and trade uncertainties, we are off the view that, from the risk/reward respective, it is favorable to be more neutral on the market given the improving sentiment towards equities regionally and domestically. Inflow into Emerging Markets and especially Malaysia could signal rising risk appetite and investors are now looking forward towards 2H2019. Hence,, we are adopting a more balanced view to the portfolio with a combination of growth and defensive sectors. We will take the opportunity to add quality large caps and alpha in to the portfolio- we prefer big cap GLCs with improving fundamentals and companies with solid cash flow and dividends in sectors such as Utilities & Renewable Energy, Islamic Banks, Oil and Gas and Industrials. On Sukuk strategy, market is starting to price-in a potential OPR cut in 2019 as growth and inflation moderate. However, our view is that BNM is unlikely to take hasty action until clear evidence of trade disruption in the region. We expect inflation to pick-up in March-19 as GST refund to the corporates. Nevertheless, the risk of overweighting portfolio duration is rather benign now and certain part of the yield curve especially the belly is still steep and offers decent roll-down return.

Source : CIMB-Principal Asset Management Bhd

Date : 28 February 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.