

FUND OBJECTIVE

To achieve moderate capital growth 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	233,989 units (31 October 2019)	Fund Size	RM232,260 (31 October 2019)
Unit NAV	RM0.9926 (31 October 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal 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 Principal Asset Management Berhad.

ASSET ALLOCATION OF THE TARGET FUND

Mutual Funds	Cash
90.30%	9.70%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	90.30%
Cash	9.70%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	46.15%
CIMB Islamic Sukuk Fund	22.73%
CIMB Islamic Enhanced Sukuk Fund	21.42%
Total	90.30%

PERFORMANCE RECORD

This fund feeds into Principal 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 31 October 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	5.71	1.03	1.19	2.26	4.73	N/A	-0.74
Benchmark	8.74	2.10	3.09	0.80	8.43	N/A	2.21

* 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 October, the Fund rose 1.03%, underperforming the Benchmark by 1.07%. Equities were driven by IT and communication services sectors. Year-to-date, the Fund rose by 5.71%, underperforming the Benchmark by 3.03%

The FTSE Bursa Malaysia Kuala Lumpur Shariah Index (“FBMS”) gained 0.52% in Oct (YTD:+2.82%) to 11,829 in line with regional markets’ performance. We view Budget 2020, which was announced on 11 Oct, positively as the government focuses on reinventing Malaysia in the digital space over the medium term by attracting foreign and domestic investments. Various tax incentives have been proposed to attract these investments which are expected to create high-paying jobs, especially those in the manufacturing and technology sectors. On Sukuk, we view the 2020 budget positively as government led spending will remove the need for BNM to continue easing path, which have driven the yield curve to an overvalued level. Resumption of mega projects will likely increase credit supply particularly in the government guaranteed bucket, and market may re-price credit spreads as a result.

While we are maintaining a NEUTRAL stance on Malaysian equities, we are turning constructively more positive going into 2020. In view of that, we will be taking a tactical 5% more exposure into high growth mid-small caps companies going into 1Q2020, while maintaining the core long term strategy in investing into high dividend yields particularly in REITS, Islamic banks, consumer and utilities. We also like to accumulate selective growth stocks on weakness within the construction, oil and gas, and technology sectors. All-in-all, we continue to position the Fund in a neutral duration position for the remaining of the year while further increase exposure in credit especially in the AA- and single-A rated segment. Key focus will still be on credit with improved financial metrics and strong cash flow visibility.

Source : Principal Asset Management Bhd

Date : 31 October 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.