

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	327,843 units (29 November 2019)	Fund Size	RM324,061 (29 November 2019)
Unit NAV	RM0.9885 (29 November 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	30% Quantshop GII Medium Index + 20% CIMB Islamic 1-month Fixed Return Income Account-I (FRIA-i) + 50% 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 ▪ 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
71.75%	28.25%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	71.75%
Cash	28.25%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	35.12%
CIMB Islamic Sukuk Fund	18.34%
CIMB Islamic Enhanced Sukuk Fund	18.29%
Total	71.75%

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 29 November 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	5.27	-0.41	0.81	2.57	4.11	N/A	-1.15
Benchmark	2.84	-0.79	-0.96	0.45	2.55	N/A	1.22

* 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 November, the Fund fell 0.41%, outperforming the Benchmark by 0.38%. Year-to-date, the Fund rose by 5.27%, outperforming the Benchmark by 2.43%. For fixed income, the main contributors were from REITS, power and construction related sukuk in the Fund.

Going into 2020, we expect Malaysian economic growth to remain moderate due to external headwinds from the ongoing US-China trade tension. That said, this will be mitigated by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy (further interest rate cut). While political and regulatory risks remain elevated, we do not believe that this will deteriorate further. Recent by-election loss of the ruling government will potentially be the catalyst for more market friendly policies going forward. We expect GLC reforms to take center stage again following a slew of leadership changes in GLICs and GLCs since the general election in May 2018. Malaysia is also benefitting from trade diversion with the increase in FDIs flow, but the government would need to do more to restore business and consumer confidence in order to boost both domestic investment and consumption. On corporate earnings, we take comfort from the stabilization in consensus earnings expectation following earlier sharp cuts.

Despite moderate growth outlook, we upgrade Malaysia to OVERWEIGHT as we turn constructively more positive going into 2020. We believe earnings downside risk has narrowed significantly following recent cuts that is further supported by undemanding valuation now. As such, we take a barbell approach on high yield sectors like REITs, Telecommunication and utilities and increasing our exposure on cyclical growth sectors like plantation, oil and gas and the technology sectors. For fixed income, we continue to overweight corporate sukuk with strong fundamentals and relatively higher yielding to anchor.

Source : Principal Asset Management Bhd

Date : 29 November 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.