

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 | 61,430 units (31 October 2018) | Fund Size | RM58,225 million (31 October 2018) |
| Unit NAV | RM0.9478 (31 October 2018) | 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

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|--------------|-------|
| Common Stock | Cash |
| 96.13% | 3.87% |

SECTOR ALLOCATION OF THE TARGET FUND

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|--------------------|---------|
| Equities (Foreign) | 48.73% |
| Mutual Fund | 47.40% |
| Cash | 3.87% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|----------------------------------|--------|
| CIMB Islamic DALI Equity Fund | 48.73% |
| CIMB Islamic Sukuk Fund | 23.82% |
| CIMB Islamic Enhanced Sukuk Fund | 23.58% |
| Total | 96.13% |

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 31 October 2018:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Year | Since Inception |
|------------------|-------|-------|-------|-------|--------|--------|-----------------|
| Fund* | -5.22 | -2.96 | -3.10 | -4.39 | N/A | N/A | -5.22 |
| Benchmark | -6.34 | -5.28 | -5.65 | -5.96 | N/A | N/A | -5.82 |

* 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 declined by 2.96% in MYR terms, outperforming the Benchmark by 2.32%. Equities contributed positively while Fixed Income was a detractor. For Equities, Australia and Malaysia contributed positively while Korea was a detractor. Year-to-date, the Fund declined 5.22%, outperforming the Benchmark by 1.12%.

Islamic Asian ex-Japan equities declined 11.5% (USD) in October; with the North Asian countries (China, Korea and Taiwan) falling the most amidst global growth concerns and re-pricing of equities with higher US bond yields. Equities in ASEAN countries were more resilient as expectations were muted and are generally more insulated from the US-China trade war. Oil price fell by 9% to USD 75.50, providing relief to oil importing nations such as Indonesia, Philippines and India. China’s politburo, the top decision making body held a meeting on 31 October and voiced their concerns about the downward pressure on the economy, avoided deleveraging and property tightening topics (versus previous meetings) and possible infrastructure investment.

For foreign equities, we have raised portfolio dividend yields to ~3%, diversified the sector and factor (growth, value) weights by looking for idiosyncratic names that are less correlated to trade frictions & growth risks. The portfolio has a Beta of ~0.93 and Overweight Real Estate (REITs), Energy and Information Technology, Underweight Consumer Discretionary, Consumer Staples and Communication. For Malaysia, We continue to reiterate our short-term cautious stance on the domestic market for rest of 2018 and 1Q2019. We deemed the recent Budget as progressive for the future but having Neutral impact to the market in the short-term. Targeted spending on B40 Group and tax refunds will be positive for consumer sectors while higher fiscal deficits will put the government with limited safety net in the event of global meltdown.

Source : CIMB-Principal Asset Management Bhd

Date : 31 October 2018

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.