

Sun Life Malaysia Islamic Strategic Conservative Fund

August 2024



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.

INVESTMENT STRATEGY & APPROACH

Please refer to the Yearly Fund Fact Sheets at <https://www.sunlifemalaysia.com/insurance-and-takaful/investment-linked-fund/yearly-fund-fact-sheet/> for more information on the Investment Strategy and Approach of the target fund.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	1.25 million units (30 August 2024)	Fund Size	RM1.44 million (30 August 2024)
Unit NAV	RM1.1484 (30 August 2024)	Taxation	8% of annual investment income
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Islamic Conservative Wholesale Fund-of-Funds
Performance 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	Frequency and Basis of Unit Valuation	The unit price is determined daily based on value of the holdings in the target fund, net of expenses, divided by the total number of units in that fund
Target Market	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 	Fund Management Charge	<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 p.a. fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad

ASSET ALLOCATION OF THE TARGET FUND

Islamic CIS investing predominantly in Shariah-compliant equities	Islamic CIS investing predominantly in Sukuk	Islamic liquid assets
Maximum 30% of NAV	Minimum 70% of NAV	Maximum 5% of NAV

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SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	95.45%
Cash	4.55%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Principal Islamic Lifetime Sukuk Fund	48.94%
Principal Islamic Lifetime Enhanced Sukuk Fund	28.26%
Principal DALI Equity Fund	18.25%
Total	95.45%

PERFORMANCE RECORD

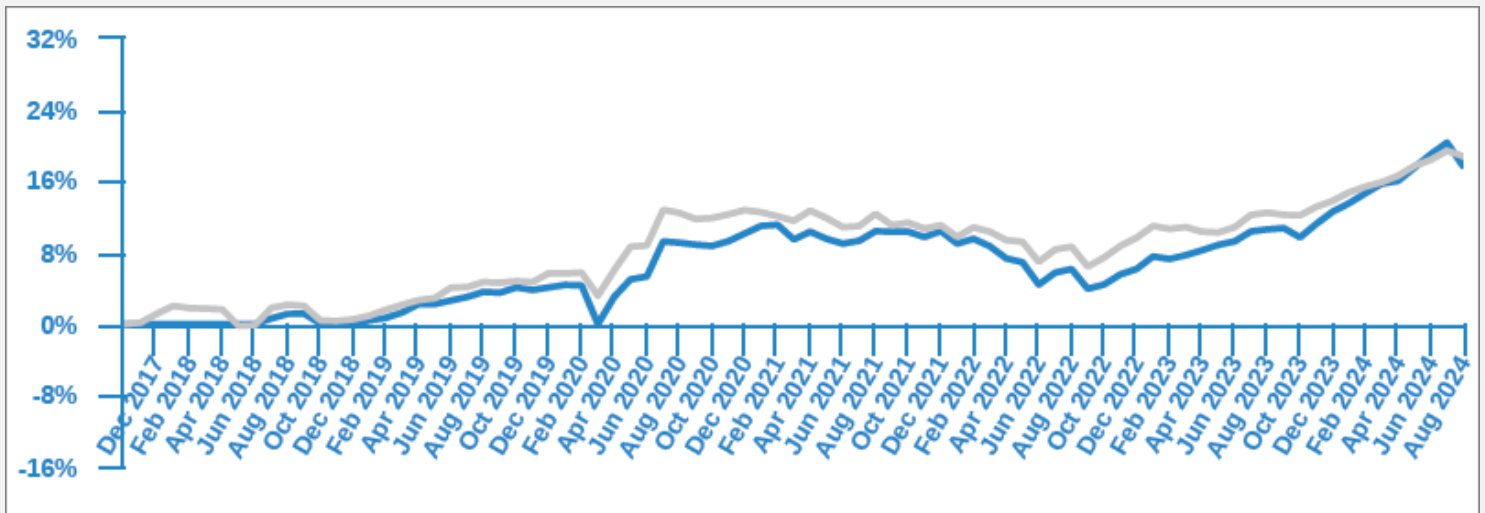
This fund feeds into Principal Islamic Conservative Wholesale Fund-of-Funds (“target fund”) with the objective to achieve capital stability by investing in a portfolio of Shariah-compliant collective investment schemes that invest in Shariah-compliant equities and/or Sukuk.

Table below shows the investment returns of Sun Life Malaysia Islamic Strategic Conservative Fund versus its benchmark as at 30 August 2024:

%	YTD	1M	6M	1-Year	3-Years	5-Yars	Since Inception
Fund*	4.10	-2.03	2.41	5.78	6.10	12.09	14.84
Benchmark	4.39	-0.52	2.96	5.62	5.74	13.45	18.81

* Calculation of past performance is based on NAV-to-NAV

Graph below shows the historical performance of the underlying collective investment schemes (CIS) for the calendar year returns:



Source: Lipper

FUND MANAGER'S COMMENTS

The Fund fell 2.03% during the month, underperforming the benchmark by 1.51%.

MSCI AC Asia ex Japan Islamic Index rose 1.0% in US\$ terms in August led by ASEAN while China and India were laggards. The US 10-year bond yield declined 13bps to 3.91% while the Dollar Index fell 2.3% during the month. Year-to-date, the MSCI AC Asia ex Japan Islamic Index rose 13.9% in US\$ terms.

The Fed is now confident that sufficient progress on disinflation has been achieved and has switched its focus to the weakening labour market. The debate is now on how fast and how much cuts there will be. In Asia, most countries such as Philippines, India and Indonesia have the ability to reduce rates given their high real rates. The outcome of the upcoming US elections has profound implications for Asian economies in terms of trade dynamics and geopolitical relations. India and ASEAN countries are more insulated and stand to benefit from supply chain shifts. Meanwhile, China's PMI signals continued softness in economic activity. We have a positive view on Asian equities, given the attractive investment themes. We will continue to diversify and position the portfolio in areas where they are likely to print strong earnings growth such as the semiconductor industry, beneficiaries of AI spend, and Korea value up program, or rising capex. We are also increasing our exposure to ASEAN and be selective in our investments in China, especially for those companies who have shown signs of turnaround or have high dividend yields.

RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.
Inflation risk	This is the risk that your investment in the target fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Manager's risk	This risk refers to the day-to-day management of the target fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by Principal, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the target fund.

RISKS

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the target fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia (SACSC), Shariah adviser of the issuer, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, Principal will take the necessary steps to dispose of such securities. There may be opportunity loss to the target fund due to the target fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities. In the event that the Shariah non-compliant securities are disposed of at a price lower than the investment cost, it may adversely affect the value of the target fund. Thus, it may cause the NAV of the target fund or price of units to fall.

Risk associated with investing in Islamic CIS

Since the target fund will invest entirely into Islamic CIS, there is a risk of concentration into Islamic CIS, in which the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company, the NAV of the target fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, Principal will seek for another Islamic CIS that is consistent with the objective of the target fund.

Country risk

The target fund may invest into Islamic CIS which can be domiciled in various countries. Therefore, the target fund will be subjected to risks specific to the countries in which the Islamic CIS are domiciled. Such risks include adverse changes in economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may have an adverse impact on the price of the Islamic CIS, which will depress the Islamic CIS's NAV growth, and consequently depress the target fund's NAV growth.

Currency risk

As the target fund may invest into Islamic CIS denominated in currencies other than MYR, any fluctuation in the exchange rate between MYR and the currencies in which the Islamic CIS are denominated may have an impact on the value of these investments. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the target fund.

Source : *Principal Asset Management Bhd*

Date : *30 August 2024*

Disclaimer:

This is strictly the performance of the investment fund, and not the returns earned on the actual takaful contributions paid of the investment-linked product. Past performance of the fund is not an indication of its future performance. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of contributions 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. Sun Life Malaysia may suspend the unit pricing and defer the payment of benefits, other than death and total and permanent disability benefits, subscription or redemption of units, switching of funds, under this contract for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange.