

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.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	39,271 units (30 April 2020)	Fund Size	RM40,179 (30 April 2020)
Unit NAV	RM1.0231 (30 April 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal Islamic Conservative Wholesale Fund-of-Funds
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	Taxation	8% of annual investment income
Risk Profile	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 	Fees	<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 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
88.38%	11.62%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	88.38%
Cash	11.62%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Principal Islamic Sukuk Fund	43.32%
Principal Islamic Enhanced Sukuk Fund	27.80%
Principal Islamic DALI Equity Fund	17.26%
Total	88.38%

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 April 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-0.53	2.43	-0.75	-0.51	0.80	N/A	2.31
Benchmark	-0.05	3.13	0.04	0.80	2.89	N/A	6.05

* 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 April, the Fund rose by 2.43%, underperforming the Benchmark by 0.70% while on a YTD basis, the Fund declined by 0.53%, underperforming the benchmark by 0.48%.

The sharp turnaround in investors’ sentiment was driven by coordinated fiscal and monetary responses globally following the Covid-19 outbreak which led to a sharp recession as economic activities came to a halt. In order to cushion the pandemic impact to the country, the government has implemented RM250bn fiscal stimulus package as well as cut its overnight policy rate (OPR) by 100bps YTD to 2.0%. Despite the significant fiscal and monetary policy response, we still expect the domestic economy to be severely impacted by both supply disruption and demand destruction. This view was echoed by World Bank which recently cut its 2020 GDP growth forecast for Malaysia from 4.5% to -0.1% while Bank Negara Malaysia has also lowered its forecast range to -2.0% to +0.5%. In addition, BNM announced that MGS/GII can be used by banking institutions to fully meet the Statutory Reserve Ratio compliance effective 16 May 2020 and is available until 31 May 2021. This measure will release approximately RM16 billion liquidity into the banking system. While we believe the government may introduce further fiscal and monetary stimulus should the need arises, the headroom for fiscal spending is limited given its high indebtedness, limited source of fiscal revenue and dampening effect of lower crude oil price. Potential flare up in trade dispute between US and China could increase volatility in the market and further dampen the prospect of economy recovery.

Given the current valuation and earnings risks which are tilted to the downside, we will be maintaining our capital preservation stance and position for accumulation when market corrects. We will continue to adopt a barbell approach of buying high yield and growth stocks but will be more selective on quality names with resilient earnings and track record. On Sukuk strategy, we remain selective in credits with focus on stronger and more resilient credit metrics that can withstand this economic condition with preference on the quasi-sovereign and highly rated papers.

Source : *Principal Asset Management Bhd*

Date : *30 April 2020*

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.