

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	503,732 units (30 April 2020)	Fund Size	RM483,062 (30 April 2020)
Unit NAV	RM0.9590 (30 April 2020)	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	<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
96.77%	3.23%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	96.77%
Cash	3.23%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

Principal Islamic DALI Equity Fund	48.64%
Principal Islamic Sukuk Fund	24.14%
Principal Islamic Enhanced Sukuk Fund	23.99%
Total	96.77%

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 30 April 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-3.84	3.87	-2.79	-3.39	-1.21	N/A	-4.10
Benchmark	-3.08	4.61	-1.95	-2.23	-0.92	N/A	-1.30

* 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

The Fund rose by 3.87% in April 2020, underperforming the benchmark by 0.74%. Year-to-date (YTD), the fund has underperformed the Benchmark by 0.76%. The Fund will stay fully invested in target funds.

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.