

### 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	65,058 units (30 September 2020)	Fund Size	RM69,541 (30 September 2020)
Unit NAV	RM1.0689 (30 September 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	<p>Suitable for investors:</p> <ul style="list-style-type: none"> <li>▪ Have a long-term investment horizon</li> <li>▪ Have a low risk profile and seek for a potentially less volatile investment return</li> <li>▪ Want a minimal exposure to Shariah-compliant equities investment</li> <li>▪ Want a portfolio of investments that adhere to Shariah principles</li> </ul>	Fees	<ul style="list-style-type: none"> <li>▪ Sun Life Malaysia does not impose any fund management charge on Sun Life Malaysia Islamic Strategic Conservative Fund.</li> <li>▪ Up to 1.2% of p.a. fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad.</li> </ul>

### ASSET ALLOCATION OF THE TARGET FUND

Mutual Funds	Cash
83.64%	16.36%

### SECTOR ALLOCATION OF THE TARGET FUND

Mutual Fund	83.64%
Cash	16.36%
Total	100.00%

### TOP HOLDINGS OF THE TARGET FUND

Principal Islamic Lifetime Sukuk Fund	42.63%
Principal Islamic Lifetime Enhanced Sukuk Fund	25.50%
Principal DALI Equity Fund	15.51%
Total	83.64%

## 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 September 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
<b>Fund*</b>	3.93	-0.17	2.65	7.02	4.42	N/A	6.89
<b>Benchmark</b>	5.78	-0.64	2.89	9.71	6.88	N/A	11.77

\* 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 declined by 0.17% in September 2020, underperforming the benchmark by 0.47%. Year-to-date (YTD), the fund has underperformed the Benchmark by 1.85%. The Fund will stay fully invested in target funds.

Over the past month, consensus EPS trend of KLCI seems to suggest that earnings have bottomed and starts to rise again. This was primarily driven by the sharp positive earnings revision of glove stocks namely Top Glove and Hartalega. Meaningful earnings rebound for other sectors are dependent on continued flattening of Covid-19 cases and progressive recovery of economy. With the exception of banks which will continue to face asset deterioration risk post loan moratorium in Sep and tourism related stocks, the worst is likely over for the rest of the listed companies. After a period of flattened curve of domestic Covid-19 new cases, a second wave is unravelling especially in Sabah which has now spread to Peninsular Malaysia. An inter-district travel ban has been implemented in Sabah. This will dampen domestic consumption especially domestic retail and tourism spending and the recovery prospect for airlines, airports, and the hospitality industries. Politics will remain a source of uncertainty for the equity market in the near term especially post Sabah-state election.

We reiterated our cautious view on the global market perspective driven by US Presidential Election. Heighten volatility in the coming months present a good opportunity to position all portfolios for 1H2021. Furthermore, after two months of market corrections and taking a 3 to 6 months investment horizon, from valuation perspective, KLCI looks attractive. For fixed income strategy, we continue to selectively participate in the corporate bonds segment with strong and stable fundamentals.

## RISKS

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

<b>Returns not guaranteed</b>	The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment returns, nor any assurance that the fund's investment objective will be achieved.
<b>General market environment risk</b>	Market risk refers to the possibility that a Shariah-compliant 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 fund's NAV.
<b>Inflation risk</b>	This is the risk that your investment in the wholesale 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.
<b>Manager's risk</b>	This risk refers to the day-to-day management of the fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by the manager, as a result of an incorrect view of the market may adversely affect the performance of the fund.
<b>Financing risk</b>	This risk occurs when you obtain financing to finance your investment. The inherent risk of investing with money obtained from financing includes you being unable to service the financing payments.
<b>Reclassification of Shariah status risk</b>	This risk refers to the risk that the currently held Shariah-compliant securities in the fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the SAC of the SC, Shariah adviser of the issuer, the Shariah Adviser or the Shariah boards of the relevant Islamic indices.
<b>Risk associated with investing in Islamic CIS</b>	Since the 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 Fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, we will seek for another Islamic CIS that is consistent with the objective of this Fund.

**RISKS (CONTINUED)**

**Country risk**

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

**Currency risk**

As the 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 be aware that if the currencies in which the Islamic CIS are denominated depreciate against MYR, this will have an adverse effect on the NAV of the Fund in MYR and vice versa. 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 investment.

Source : *Principal Asset Management Bhd*  
Date : *30 September 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. In exceptional circumstances, we reserve the right to suspend the creation or cancellation of units. Notice for suspension will be published on our website. 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.