

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	375,262 units (31 December 2019)	Fund Size	RM374,240 (31 December 2019)
Unit NAV	RM0.9973 (31 December 2019)	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
91.91%	8.09%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	91.91%
Cash	8.09%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	46.01%
CIMB Islamic Sukuk Fund	23.06%
CIMB Islamic Enhanced Sukuk Fund	22.83%
Total	91.90%

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 31 December 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	6.21	0.89	1.51	1.67	6.21	N/A	-0.27
Benchmark	4.57	1.71	1.19	0.42	4.57	N/A	1.03

* 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 December, the Fund rose 0.89%, underperforming the Benchmark by 0.82%. Year-to-date, the Fund rose by 6.21%, outperforming the Benchmark by 1.64%.

Despite on-going trade tension, we expect growth to be sustained at a moderate rate going into 2020. This will be underpinned by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy. Externally, the rebound in PMI to 50 in Dec 19 after hitting a low of 46.8 in Dec 18 bodes well for exports outlook particularly in the electronics and electrical (E&E) segment. Furthermore, the plantation sector will also be boosted by improving supply and demand dynamics which have led to CPO prices surging past RM3,000 per MT. Given a modest consensus earnings growth expectation of 7.3% in 2020, we believe earnings upside risks outweigh downside risks. While political and regulatory risks remain elevated, we do not believe that this will deteriorate further. Recent by-election loss of the ruling government will potentially be the catalyst for more market friendly policies going forward.

We upgraded Malaysia to Overweight in December and we maintain Malaysia at OVERWEIGHT as we turn constructively more positive going into 2020. We believe earnings downside risk has narrowed significantly following recent cuts which is further supported by undemanding valuation now. As such, we take a barbell approach on high yield sectors like REITs and utilities and increasing on cyclical growth sectors like plantation, oil and gas, and the technology sectors.

Source : Principal Asset Management Bhd

Date : 31 December 2019

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.