

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 | 37,134 units (31 March 2020) | Fund Size | RM37,090 (31 March 2020) |
| Unit NAV | RM0.9988 (31 March 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 |
| 68.33% | 31.67% |

SECTOR ALLOCATION OF THE TARGET FUND

| | |
|--------------|---------|
| Mutual Funds | 68.33% |
| Cash | 31.67% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|----------------------------------|--------|
| CIMB Islamic Sukuk Fund | 36.84% |
| CIMB Islamic Enhanced Sukuk Fund | 20.20% |
| CIMB Islamic DALI Equity Fund | 11.29% |
| Total | 68.33% |

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 31 March 2020:

| % | YTD | 1M | 3M | 6M | 1-Year | 3-Year | Since Inception |
|------------------|-------|-------|-------|-------|--------|--------|-----------------|
| Fund* | -2.89 | -3.07 | -2.89 | -2.43 | -0.93 | N/A | -0.12 |
| Benchmark | -2.90 | -2.83 | -2.90 | -1.92 | 0.47 | N/A | 3.18 |

* 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 March, the Fund declined 3.07%, underperforming the Benchmark by 0.24 % while on YTD basis; the Fund declined by 2.89%, outperforming the benchmark by 0.01%.

Global central banks and governments stepped up monetary and fiscal easing to combat the outbreak of Covid 19 virus. Domestically, Prime Minister also unveiled a budget stimulus package amounting to RM250 billion (equivalent to 17% GDP) to sustain private consumption and confidence, among other things. Direct injection from the Federal Government amounted to RM25 billion or 1.7% of GDP. Policymakers projected for the stimulus package to add 1.5% to GDP. The Ministry of Finance highlighted that 2020 budget deficit would be capped at 4% of GDP by reallocation of budget within Ministries and higher dividends from GLCs. On monetary side, Bank Negara Malaysia (“BNM”) reduced the Overnight Policy Rate (“OPR”) by 5bps to 2.50% citing weakening global economic conditions. BNM also cut the Statutory Reserve Ratio (“SRR”) by 1% to free up RM30 billion banking liquidity and introduced the 6-month loan moratorium to SMEs and consumer loans (excluding credit card balances). Market is pricing for further OPR cut by BNM during this crisis.

On the back of rising market risk premium and volatility, we will remain steadfast with high cash holding and defensive equity portfolio structure in order to preserve capital. Focus will be buying high yield and growth stocks but will be more selective on quality names with resilient earnings and track record. On Sukuk strategy, with much uncertainty ahead, we expect market to be volatile in the near term and are inclined to be cautious and prefer to be defensive. Credit selection remains key for portfolio returns and we will continue to ‘cherry-pick’ issuers with stronger and more resilient credit metrics in this economic condition.

Source : *Principal Asset Management Bhd*
 Date : 31 March 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.