

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	393,945 units (31 January 2020)	Fund Size	RM388,623 (31 January 2020)
Unit NAV	RM0.9865 (31 January 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
92.46%	7.54%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	92.46%
Cash	7.54%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	45.23%
CIMB Islamic Sukuk Fund	23.87%
CIMB Islamic Enhanced Sukuk Fund	23.36%
Total	92.46%

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 January 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-1.08	-1.08	-0.61	0.57	4.18	N/A	-1.35
Benchmark	-1.24	-1.24	-0.37	-0.47	2.87	N/A	0.25

* 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 January, the Fund declined 1.08%, in line with the Benchmark. Within Equities, materials and energy contributed to the outperformance while Health Care was a detractor.

The MSCI AC Islamic Asia ex Japan fell in January amidst the Coronavirus outbreak in Hubei, which has thrown the economic recovery in Asia into disarray. Most equity markets posted negative returns except for Australia and India. Apart from the escalation in political conflict between US and Iran in the early part of the year, volatility emanating from political situations is expected to be low as the US is entering into a Presidential election year and impeachment charges out of the way.

For regional equities, we are fully invested and taking the opportunity to add structural names with good management and strong business moats in light of the Coronavirus outbreak and its knee-jerk reaction from the stock market. We think the situation is under control as the outbreak is not showing exponential growth typical of an epidemic gone out of control. We continue to diversify the portfolio into off-benchmark names to provide resilience. Although there is risk of further earnings downgrade, arising from the BNM’s policy rate cut and potential slowing global economy, but after assessing all factors, we are of the opinion that the downside risk of KLCI is limited. Hence we will BUY on weakness and maintain our barbell approach on high yield stocks and take the opportunity to accumulate selective stocks within the plantation, construction and oil and gas sectors. On sectors which will specifically be impacted by the COVID-19 outbreak, we will tactically underweight the aviation sector while take the opportunity to trade the glove and healthcare sectors.

Source : Principal Asset Management Bhd

Date : 31 January 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.