

FUND 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.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	14,314 units (30 April 2019)	Fund Size	RM14,530 (30 April 2019)
Unit NAV	RM1.0150 (30 April 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB Islamic Conservative Wholesale Fund-of-Funds
Benchmark	Quantshop GII Medium 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 ▪ 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
89.32%	10.68%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	89.32%
Cash	10.68%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Sukuk Fund	47.52%
CIMB Islamic Enhanced Sukuk Fund	22.38%
CIMB Islamic DALI Equity	19.42%
Total	89.32%

PERFORMANCE RECORD

This fund feeds into CIMB 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 April 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	1.69	0.67	1.32	1.53	1.24	N/A	1.50
Benchmark	2.35	0.30	1.87	3.31	5.53	N/A	6.98

* 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 0.67% in April 2019, outperforming the benchmark by 0.37%. Year-to-date (YTD), the fund has underperformed the Benchmark by 0.66%. The Fund will stay fully invested in target funds.

March inflation returned to positive after two months of declines at 0.2% yoy (February: -0.4%) versus consensus expectation of 0.3%. The rebound was mainly lifted by smaller contraction in transport prices and slightly quicker gain in food prices. In the 2018 BNM annual report, the Central Bank downgraded 2019 growth to 4.3 – 4.8% (2018: 4.7%), below MoF's forecast of 4.9% in October 2018. Most of the downgrade came from smaller contribution from net export (2019: flat, 2018 1%) and domestic demand (2019: 4.1%, 2018: 5.2%). The seemingly dovish tone in BNM's Annual Report has steered market expectations towards a potential cut in Overnight Policy Rate ("OPR") in the upcoming Monetary Policy Committee ("MPC") meetings. Hence, all eyes will be on the upcoming MPC meeting on 7th May as increasingly more investors are pricing in prospects of accommodative policy stance with 25bps cut in OPR. Overall, we continue to prefer the credit segment for better yield pick-up. We will also look to opportunistically trade in benchmark GII as and when valuations turn attractive.

On Sukuk strategy, we continue to expect BNM to deliver 25bps of OPR cut on 7th May. The fund will continue to overweight duration as we see 3.00% OPR to stay for a considerable period, barring no positive surprise on growth. Some part of the government yield curve is already traded on the back of rate cut; hence we think further upside is limited. The Fund will continue overweight credit especially in the AA-rated category to deliver better return prospect.

Source : Principal Asset Management Bhd

Date : 30 April 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.