

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	18,261 units (31 July 2019)	Fund Size	RM18,641 (31 July 2019)
Unit NAV	RM1.0208 (31 July 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
77.35%	22.65%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	77.35%
Cash	22.65%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Sukuk Fund	38.49%
CIMB Islamic Enhanced Sukuk Fund	24.54%
CIMB Islamic DALI Equity Fd	14.32%
Total	77.35%

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 31 July 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.27	0.29	0.57	1.90	1.68	N/A	2.08
Benchmark	4.18	0.48	1.78	3.69	6.03	N/A	8.89

* 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 0.29% in July, underperforming the benchmark by 0.19%. Year to date, the Fund underperformed the Benchmark by 1.91%

During the month, the Government Investment Issues (“GII”) yield curve bull flattened on the long end, mirroring the trend in Malaysian Government Securities. Trading volume for corporate sukuk increased to RM13.4 billion from RM11.8 billion in June with most of the trades focus on the quasi-sovereign and high grades AAA and AA segments. Credit spreads on AAA tightened the most (7 – 18bps) compared to AA and single A.

In line with market expectation, Federal Reserve delivered 25bps of Fed Fund cut in the July 2019 FOMC meeting. Despite delivering on the rate cut and an early end to balance sheet reduction, Chair Powell emphasized that the cut should be viewed as a “mid-cycle adjustment” rather than the start of a full cutting cycle. Meanwhile, Bank Negara Malaysia (“BNM”) kept Overnight Policy Rate on hold at 3.00%, as widely expected. On the global front, BNM reiterated that growth momentum is moderating and “considerable” downside risks remained on the unresolved trade tensions. 2019 growth still seen intact within the 4.3 – 4.8% official forecast range, on stable labour markets and capacity expansion plans. Inflation assessment was unchanged with headline “broadly stable” for 2019 as a whole.

Overall, we continue to prefer corporate sukuk with stable fundamentals and aim to participate in new issuances, when possible. On duration, we still call for a mild overweight duration exposure against benchmark.

Source : Principal Asset Management Bhd

Date : 31 July 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.