

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	23,364 units (31 October 2019)	Fund Size	RM24,026 (31 October 2019)
Unit NAV	RM1.0283 (31 October 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	Principal 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
92.40%	7.60%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	92.40%
Cash	7.60%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Sukuk Fund	46.10%
CIMB Islamic Enhanced Sukuk Fund	29.69%
CIMB Islamic DALI Equity Fund	16.61%
Total	92.40%

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 October 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	3.03	0.45	0.73	1.31	2.86	N/A	2.83
Benchmark	5.72	-0.02	1.48	3.29	6.71	N/A	10.50

* 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 0.45% in October, outperforming its benchmark by 0.47%. Year to Date, the Fund rose by 3.03% but underperforming the Benchmark by 2.69%.

During the month, the Government Investment Issues ("GII") yield curve traded higher save for the 1y and 7y which tightened by 1bps and 2bps respectively. The 30-year tenor saw the biggest movement as it moved 30bps during the month as it closed at 4.16% by the end of the month. Credit spreads movement were mixed. We saw the AAA widening across all tenors except for the 15-year. Meanwhile, spreads tightened for the AA and single A segment for almost all tenors, save for the AA 7- and 10-year tenors.

Amid renewed optimism on the US-China trade negotiation, US Treasury yields generally retraced higher in October. Meanwhile, the Federal reserve eased monetary policy for the third time this year with a quarter point rate cut to help support economic growth but signaled it wouldn't reduce them further. Locally, Budget 2020 was released on 11th October with fiscal deficit narrowing further from a previous level of -3.7% in 2018 to -3.4% in 2019. The deficit target of -3.2% for 2020 is slightly higher than the -3.0% originally announced in Budget 2019. According to the MOF's Economic Report 2019/2020, the medium term fiscal deficit target is expected to narrow to -2.8% by 2022. Growth is expected to improve from 4.7% in 2019 to 4.8% in 2020 while inflation CPI is to average at 2.0% in 2020. Overall, we aim to re-enter the govies when there are any strong sell-offs. For corporates, we continue to cherry pick on issuers with stronger financial metrics and relatively higher yielding to anchor portfolio yields.

Source : Principal Asset Management Bhd

Date : 31 October 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.