

FUND 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.

FUND DETAILS

Launch Date	1 December 2017	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	130,528 units (31 May 2019)	Fund Size	125,788 units (31 May 2019)
Unit NAV	RM0.9637 (31 May 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Target Fund	CIMB Islamic Balanced Wholesale Fund-of Funds
Benchmark	50% Quantshop GII Medium Index + 50% MSCI AC Asia ex Japan Islamic 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
93.78%	6.22%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	93.78%
Cash	6.22%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	47.87%
CIMB Islamic Enhanced Sukuk Fund	23.09%
CIMB Islamic Sukuk Fund	22.82%
Total	93.78%

PERFORMANCE RECORD

This fund feeds into CIMB 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 May 2019:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.63	-0.72	0.78	1.50	-0.86	N/A	-3.63
Benchmark	3.98	-3.53	-1.33	1.25	-2.58	N/A	-2.08

* 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 declined by 0.72% in May 2019, outperforming the benchmark by 2.81%. Year-to-date (YTD), the fund has underperformed the Benchmark by 1.35%.

The broader market’s sentiment was buoyed by two M&A announcements involving Axiata-Telenor and YTL Cement and Lafarge and partly driven by foreign buying in the last three days of May. 1Q19 earnings season ended with another disappointment as there were still more misses than beats. Plantation, technology, aviation and basic materials were the major disappointments while positive results came from automotive, construction, Telco and utilities.

We remain NEUTRAL on Malaysia given lack of earnings growth (consensus pencilled in negative earnings growth for 2019) which is balanced by undemanding valuation now. Having said that, we are of the opinion that value is emerging in Malaysian equities having shed 2.7% YTD and Malaysia tend to be more defensive when volatility in global equity markets rises. While we will continue with the high equity weighting with low beta investment strategy, we will continuously accumulate some alphas for the portfolios. We look to add selected blue chips in the banking, telecommunication and glove sectors. At the same time, we are reducing exposure on some of the Technology-related names on the back of rising trade conflicts. On Sukuk strategy, we continue to expect 3.00% OPR to stay for the rest of 2019. While market is half way pricing in another 25bps of rate cut (at the point of writing) certain part of the government curve, we need to see weaker domestic data to support that argument. Regardless of the OPR outcome, the Fund will still stay overweight duration against benchmark as we view the overall international and domestic monetary policies to remain expansionary. The flattish long-end government yield curve will likely stay for the remaining of 2019. Fund will also overweight credit against government bond for better yield pick-up.

Source : Principal Asset Management Bhd

Date : 31 May 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.