

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	459,681 units (31 March 2020)	Fund Size	RM424,420 (31 March 2020)
Unit NAV	RM0.9233 (31 March 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
90.21%	9.79%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	90.21%
Cash	9.79%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic DALI Equity Fund	43.21%
CIMB Islamic Sukuk Fund	23.76%
CIMB Islamic Enhanced Sukuk Fund	23.24%
Total	90.21%

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 March 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	-7.42	-5.52	-7.42	-6.03	-3.98	N/A	-7.67
Benchmark	-7.11	-4.88	-7.11	-6.03	-4.31	N/A	-5.17

* 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 March, the Fund declined 5.52%, underperforming the Benchmark by 0.64% while on YTD basis, the Fund declined by 7.42%, underperforming the benchmark by 0.31%.

Global central banks and governments stepped up monetary and fiscal easing to combat the outbreak of Covid 19 virus. Domestically, Prime Minister also unveiled a budget stimulus package amounting to RM250 billion (equivalent to 17% GDP) to sustain private consumption and confidence, among other things. Direct injection from the Federal Government amounted to RM25 billion or 1.7% of GDP. Policymakers projected for the stimulus package to add 1.5% to GDP. The Ministry of Finance highlighted that 2020 budget deficit would be capped at 4% of GDP by reallocation of budget within Ministries and higher dividends from GLCs. On monetary side, Bank Negara Malaysia (“BNM”) reduced the Overnight Policy Rate (“OPR”) by 5bps to 2.50% citing weakening global economic conditions. BNM also cut the Statutory Reserve Ratio (“SRR”) by 1% to free up RM30 billion banking liquidity and introduced the 6-month loan moratorium to SMEs and consumer loans (excluding credit card balances). Market is pricing for further OPR cut by BNM during this crisis.

On the back of rising market risk premium and volatility, we will remain steadfast with high cash holding and defensive equity portfolio structure in order to preserve capital. Focus will be buying high yield and growth stocks but will be more selective on quality names with resilient earnings and track record. On Sukuk strategy, with much uncertainty ahead, we expect market to be volatile in the near term and are inclined to be cautious and prefer to be defensive. Credit selection remains key for portfolio returns and we will continue to ‘cherry-pick’ issuers with stronger and more resilient credit metrics in this economic condition.

Source : *Principal Asset Management Bhd*
 Date : *31 March 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.