

Sun Life Malaysia

Islamic Strategic Conservative Fund

April 2024



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 | 1.05 million units (30 April 2024) | Fund Size | RM1.19 million (30 April 2024) |
| Unit NAV | RM1.1337 (30 April 2024) | Dealing | Daily (as per Bursa Malaysia trading day) |
| Fund Manager | Principal Asset Management Bhd | Target Fund | Principal Islamic Conservative Wholesale Fund-of-Funds |
| Benchmark | 50% Quantshop GII Medium Index + 25% CIMB Islamic 1-month Fixed Return Income Account-I (FRIA-i) + 25% 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 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 p.a. fund management charge is applied on the target fund's NAV by Principal Asset Management Berhad. |

ASSET ALLOCATION OF THE TARGET FUND

| | |
|-------------|-------|
| Mutual Fund | Cash |
| 96.30% | 3.70% |

SECTOR ALLOCATION OF THE TARGET FUND

| | |
|-------------|---------|
| Mutual Fund | 96.30% |
| Cash | 3.70% |
| Total | 100.00% |

TOP HOLDINGS OF THE TARGET FUND

| | |
|--|--------|
| Principal Islamic Lifetime Sukuk Fund | 48.22% |
| Principal Islamic Lifetime Enhanced Sukuk Fund | 28.63% |
| Principal DALI Equity Fund | 19.45% |
| Total | 96.30% |

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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 30 April 2024:

| % | YTD | 1M | 6M | 1-Year | 3-Years | 5-Years | Since Inception |
|------------------|------|------|------|--------|---------|---------|-----------------|
| Fund* | 2.76 | 0.22 | 5.20 | 6.46 | 4.79 | 11.69 | 13.37 |
| Benchmark | 2.46 | 0.61 | 3.95 | 5.67 | 3.45 | 13.57 | 16.62 |

* 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 0.22% during the month, underperforming the benchmark by 39bps.

MSCI AC Asia ex Japan Islamic Index declined 1.2% in US\$ terms in April with China and Singapore posting positive returns while South Korea and Indonesia were laggards. The US 10-year bond yield rose 48bps to 4.68% while the Dollar Index rose 1.7% during the month. Year-to-date, the MSCI AC Asia ex Japan Islamic Index rose 5.8% in US\$ terms.

US economy has kept defying pessimists, there are incremental signs such as a weaker consumer confidence index and corporate commentaries regarding softer consumer spend. This could lead to a resumption of the disinflation narrative that we had seen previously. Nonetheless, the reality is that the near-term policy path is highly uncertain. The market now expects 1-2 rate cuts by yearend, from 6 cuts forecasted at the beginning of the year. In China, we continue to see green shoots emerging (second consecutive month of PMI above 50) and expectations of potential intervention in the housing market. We also see some stabilization in policy making and thus stabilization in private sector confidence. In Asia, we are positive on the recovery of the technology hardware cycle in South Korea and Taiwan and broad-based growth in India.

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RISKS

All investment carries some form of risks. The potential key risks include but are not limited to the following:

Market risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the target fund's NAV.

Inflation risk

This is the risk that your investment in the target fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.

Manager's risk

This risk refers to the day-to-day management of the target fund by the manager which will impact the performance of the fund. For example, investment decisions undertaken by Principal, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the target fund.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the target fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia (SACSC), Shariah adviser of the issuer, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, Principal will take the necessary steps to dispose of such securities. There may be opportunity loss to the target fund due to the target fund not being allowed to retain the excess gains derived from the disposal of the Shariah non-compliant securities. In the event that the Shariah non-compliant securities are disposed of at a price lower than the investment cost, it may adversely affect the value of the target fund. Thus, it may cause the NAV of the target fund or price of units to fall.

Risk associated with investing in Islamic CIS

Since the target fund will invest entirely into Islamic CIS, there is a risk of concentration into Islamic CIS, in which the Islamic CIS's management company has absolute discretion over the Islamic CIS's investment technique and knowledge, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company, the NAV of the target fund, which invests into those Islamic CIS would be affected negatively. Should the situation arise, Principal will seek for another Islamic CIS that is consistent with the objective of the target fund.

Country risk

The target fund may invest into Islamic CIS which can be domiciled in various countries. Therefore, the target fund will be subjected to risks specific to the countries in which the Islamic CIS are domiciled. Such risks include adverse changes in economic fundamentals, social and political stability, laws and regulations and foreign investments policies. These factors may have an adverse impact on the price of the Islamic CIS, which will depress the Islamic CIS's NAV growth, and consequently depress the target fund's NAV growth.

RISKS

Currency risk

As the target fund may invest into Islamic CIS denominated in currencies other than MYR, any fluctuation in the exchange rate between MYR and the currencies in which the Islamic CIS are denominated may have an impact on the value of these investments. You should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the target fund.

Source : Principal Asset Management Bhd

Date : 30 April 2024

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 contributions 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. Sun Life Malaysia may suspend the unit pricing and defer the payment of benefits, other than death and total and permanent disability benefits, subscription or redemption of units, switching of funds, under this contract for a reasonable period in exceptional circumstances, such as and including intervening events resulting in temporary closure of any stock exchange.