

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	27,298 units (31 January 2020)	Fund Size	RM28,138 (31 January 2020)
Unit NAV	RM1.0308 (31 January 2020)	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 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
81.35%	18.65%

SECTOR ALLOCATION OF THE TARGET FUND

Mutual Funds	81.35%
Cash	18.65%
Total	100.00%

TOP HOLDINGS OF THE TARGET FUND

CIMB Islamic Sukuk Fund	43.15%
CIMB Islamic Enhanced Sukuk Fund	24.69%
CIMB Islamic DALI Equity Fund	13.51%
Total	81.35%

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 January 2020:

%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	0.22	0.22	0.24	0.98	2.89	N/A	3.08
Benchmark	-0.16	-0.16	0.69	1.28	4.53	N/A	5.69

* 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 reported a return of 0.22% in January 2020, outperformed its benchmark by 0.38% in January 2020. Sukuk outperformed equities for period under review.

The Government Investment Issues ("GII") yield curve moved lower across tenor in January following the surprise Overnight Policy Rate ("OPR") cut. Trading volume in corporate sukuk increased to RM14.1 billion in January from RM10.4 billion previously with focus mainly on Quasi-Sovereign and AAA rated sukuk.

Bank Negara Malaysia delivered a surprise OPR cut by 25bps to 2.75% with the official statement highlighting as a pre-emptive measure to secure the improving growth trajectory amid price stability, while citing downside risks to global growth and geopolitical tensions. Given the dynamics of the global uncertainty and now the looming risk of coronavirus, global monetary policy is likely to remain accommodative in 2020. Global yields continued to be pushed down in January 2020 as the coronavirus outbreak threatened to dent global growth. Overall, we continue to overweight on the corporate segment and adopt an opportunistic trading view on the govies as and when valuation turns attractive. For corporates, our preference continues to be on the primary issuances with stable/strong financial metric and relatively higher yielding to anchor the portfolio's yield. For domestic equities, although there is risk of further earnings downgrade, arising from the BNM's policy rate cut and potential slowing global economy, but after assessing all factors, we are of the opinion that the downside risk of KLCI is limited. Hence we will BUY on weakness and maintain our barbell approach on high yield stocks and take the opportunity to accumulate selective stocks within the plantation, construction and oil and gas sectors. On sectors which will specifically be impacted by the COVID-19 outbreak, we will tactically underweight the aviation sector while take the opportunity to trade the glove and healthcare sectors.

Source : Principal Asset Management Bhd

Date : 31 January 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.