

FUND OBJECTIVE

To maximize capital growth over the medium to long-term through the stock market.

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	26.89 million units (30 September 2020)	Fund Size	RM63.83 million (30 September 2020)
Unit NAV	RM2.3737 (30 September 2020)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	FBM100
Taxation	8% of annual investment income	Fees	Management Fee: 1.5% p.a.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ With a medium to long-term investment horizon ▪ Seek maximum capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains 	Other Charges	Inclusive of auditor fee & transaction charge

ASSET ALLOCATION OF THE FUND

Equities	Cash
Minimum 80% - 98%	Up to 20%

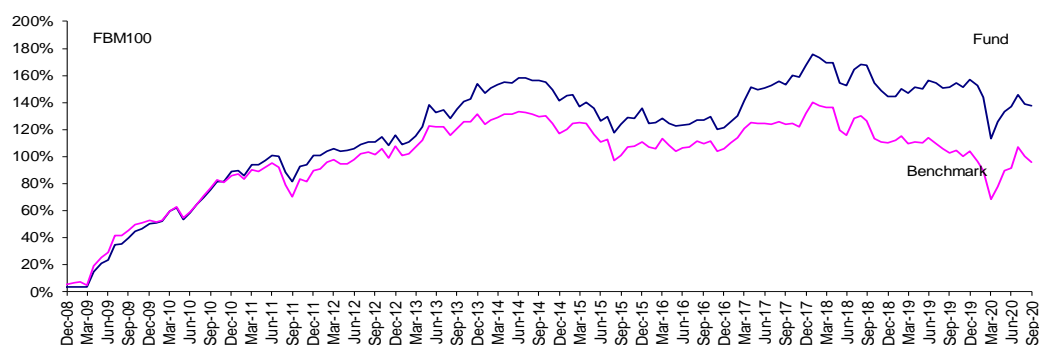
SECTOR ALLOCATION OF THE FUND

Industrial Products & Services	14.17%
Financial Services	12.51%
Consumer Products & Services	11.14%
Plantation	8.74%
Utilities	8.65%
Energy	8.16%
Health Care	7.62%
Technology	6.34%
Transportation & Logistics	3.77%
Construction	3.51%
Telecommunications & Media	3.07%
Property	2.34%
REIT	0.31%
Cash	9.67%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	5.56%
Hartalega Hldg Bhd	3.98%
Malayan Banking Bhd	3.95%
Press Metal Aluminium Hldg Bhd	3.93%
Sime Darby Bhd	3.42%
Sime Darby Plantation Bhd	3.28%
Kuala Lumpur Kepong Bhd	3.20%
DRB-Hicom Bhd	3.06%
Petronas Chemicals Group Bhd	2.91%
Genting Malaysia Bhd	2.70%
Total	35.99%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund*	-7.50	-0.59	-5.57	-6.34	6.12	35.36	137.37
Benchmark	-4.08	-2.08	-3.42	-12.54	-2.38	11.09	95.82

* 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

Market review

In September, the fund was down 0.59%, outperforming the benchmark by 1.49%. Outperformance came mainly from the overweight in gloves and technology. Oil & gas was a drag on the performance. Year-to-date, the fund is down -7.50%, underperforming its benchmark by 3.42% due to earlier underweight in gloves.

Portfolio Strategy

The FTSE Bursa Malaysia Composite Index ("KLCI") fell 1.3% in Sep amid a global equity rout. Nonetheless, it outperformed its regional peers which posted a 6.7% loss in MSCI ASEAN Index. All domestic sub-indices were in the red too except for construction and industrial products. By sector, the market correction was led by healthcare (-11.9%) due to correction of glove stocks on vaccine development news flow, and energy (-10.9%) due to lower crude oil prices.

Over the past month, consensus EPS trend of KLCI seems to suggest that earnings have bottomed and starts to rise again. This was primarily driven by the sharp positive earnings revision of glove stocks namely Top Glove and Hartalega. Meaningful earnings rebound for other sectors are dependent on continued flattening of Covid-19 cases and progressive recovery of economy. With the exception of banks which will continue to face asset deterioration risk post loan moratorium in Sep and tourism related stocks, the worst is likely over for the rest of the listed companies. After a period of flattened curve of domestic Covid-19 new cases, a second wave is unravelling especially in Sabah which has now spread to Peninsular Malaysia. An inter-district travel ban has been implemented in Sabah. This will dampen domestic consumption especially domestic retail and tourism spending and the recovery prospect for airlines, airports, and the hospitality industries. Politics will remain a source of uncertainty for the equity market in the near term especially post Sabah-state election.

We will continue with our high AA of 90-95% and focus more on adding alpha into all portfolios. Sector in focus will be on Technology, Healthcare, Telecommunication and Energy & Commodity-related. We will continue to underweight Banks & Financial Services and reduce our overweight on Plantation.

RISKS

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

Market risk	<p>Market risk is the risk of negative movement that affects the price of all assets in a particular capital market. The factors influencing the performance of the markets include:</p> <ul style="list-style-type: none"> • Economic and financial market conditions • Political change • Broad investor sentiment • Movements in interest rate and inflation • Currency risks <p>Stock values fluctuate in response to the activities and performance of individual companies and general market or economic conditions. Such movements in the underlying values of the share of the investment portfolio will cause the NAV or prices of units to fall as well as rise. Market risk is mitigated through careful selection of securities and diversification through spreading of risk across a basket of assets and/or sectors.</p>
Company or security specific risk	<p>There are many specific risks, which apply to individual companies or securities. Examples include the possible effect on a company of losing a key executive or the unforeseen entry of a new competitor into the market. The risk is mitigated by conducting in-house periodic reviews and analysis. In-house analysis is then supplemented by periodic reviews from rating agencies and market analysts.</p>
Credit risk	<p>The risk of loss of principal or loss of a financial reward stemming from counterparty's failure to repay a loan or otherwise meet a contractual obligation. This risk is primarily applicable to the liquid assets of this fund. Credit risk is mitigated by conducting in-house periodic reviews and analysis. In-house analysis is then supplemented by periodic reviews from rating agencies and market analysts.</p>

Source : *Principal Asset Management Bhd*
Date : *30 September 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. 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.