

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	26.90 million units (30 November 2020)	Fund Size	RM66.11 million (30 November 2020)
Unit NAV	RM2.4579 (30 November 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%

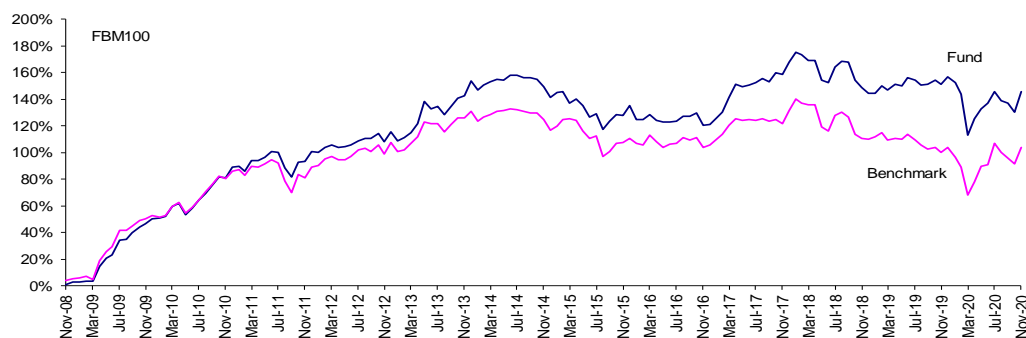
SECTOR ALLOCATION OF THE FUND

Financial Services	15.72%
Industrial Products & Services	14.71%
Consumer Products & Services	14.47%
Health Care	8.58%
Utilities	8.44%
Technology	7.21%
Plantation	6.74%
Energy	6.37%
Transportation & Logistics	4.66%
Telecommunications & Media	4.53%
Construction	2.42%
Property	0.88%
REIT	0.30%
Cash	4.97%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	5.61%
Malayan Banking Bhd	5.33%
Press Metal Aluminium Hldg Bhd	5.16%
Top Glove Corp Bhd	4.10%
Petronas Chemicals Group Bhd	4.09%
Genting Malaysia Bhd	3.38%
RHB Bank Bhd	3.09%
Sime Darby Bhd	3.07%
Hartalega Hldg Bhd	2.98%
KELINGTON Group Bhd	2.93%
Total	39.74%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-4.22	6.74	-2.16	-5.11	7.78	35.75	145.79
Benchmark	-0.12	6.40	1.75	-8.03	-1.87	12.78	103.90

* 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 November, the fund was up 6.74%, outperforming the benchmark by 0.34%. Outperformance came mainly from a broader market rally with exposure to Industrials, Basic Materials, consumer and oil & gas. Year-to-date, the fund is down 4.2%, underperforming its benchmark by 4.10% due to earlier underweight in gloves.

Portfolio Strategy

The FTSE Bursa Malaysia Composite Index ("KLCI") rebounded to close higher MoM but failed to stay above 1,600 level due to month end MSCI Quarterly index rebalancing trade. The FBM KLCI ended the month higher by 96 points or 6.5% MoM. Positive catalysts for the market were the successful test trials of several covid19 vaccines and passing of the 2020 Budget by parliament which kept the PN government in power. Sector wise, Energy +24.0%, Transport +15.7%, Finance +15.0% were the top performers for the month, while PBK +23.9%; MAY +18.0% and CIMB +15.8% were the top performing stocks. The govt has proposed a 2021 Budget of RM322.5bn (+2.5% YoY) or 20.4% of GDP, Of the total, Operating Expenses amounted to RM236.5bn (+4.3%), development expenditure of RM69bn (+38% YoY) and COVID-19 fund of RM17bn. GDP projected to rebound sharply in 2021 by 6.5-7.5% in 2021 (vs -4.5% in 2020). After a challenging year, all signs are signaling a buoyant 2021 for the energy sector as Covid-19 vaccine progress continues and policy remains extremely supportive. Construction was one of the beneficiaries seen out of the budget.

We expect the low interest rate environment to be sustained until the economy is on a firmer footing. With such a low interest rate, equity risk premium (ERP) has widened significantly to 3.85%, +2 SD over mean of 2.72%. This means that equity valuation is actually very cheap now relative to fixed income. We value KLCI at 1,730 for the base case for 2021 as we peg it to 17.1x PE. All things being consider, we are positive on Malaysia market from a valuation perspective. The approval of 2021 Budget by the Parliament was the biggest short-term positive development that would help to alleviate political risk in Malaysia.

With major headwinds (US Presidential Election and Malaysia Budget 2021) are now being addressed and cheap valuations, we are now cautiously optimistic for 1H2021. Earlier hope for rapid recovery in 4Q2020 may be dented (due to resurgence of COVID-19 globally) but we are now confident of a sustainable economic recovery in 1H2021. As a result, we will continue with our high AA of 90-95% and focusing on post Covid19 recovery theme. Sector in focus for will be on Bank and Financial Services, Gaming (conventional), Consumer, Technology and Commodity-related (weakening of USD), whilst at the same time reducing our position on the Healthcare and REIT sectors.

RISKS

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

<p>Market risk</p>	<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>
<p>Company or security specific risk</p>	<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>
<p>Credit risk</p>	<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 November 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.