

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	28.10 million units (28 April 2023)	Fund Size	RM73.34 million (28 April 2023)
Unit NAV	RM2.6099 (28 April 2023)	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%

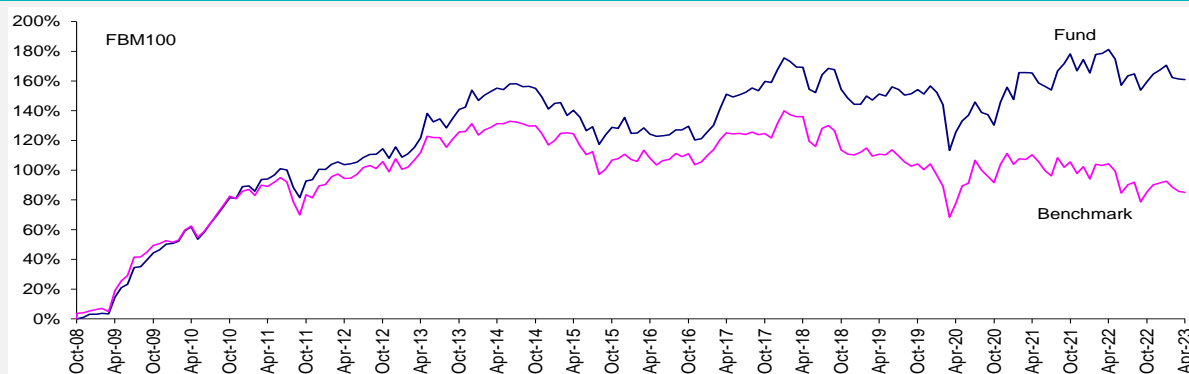
SECTOR ALLOCATION OF THE FUND

Financial Services	20.69%
Consumer Products & Services	12.60%
Health Care	9.11%
Technology	8.36%
Industrial Products & Services	8.07%
Energy	6.34%
Telecommunications & Media	6.15%
Utilities	4.88%
Plantation	4.23%
Transportation & Logistics	3.49%
Construction	2.75%
REIT	0.53%
Cash	12.80%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Public Bank Bhd - Local	5.96%
CIMB Group Holdings Bhd	5.57%
Malayan Banking Bhd	5.54%
Genting Malaysia Bhd	5.00%
Tenaga Nasional Bhd	4.88%
Press Metal Aluminium Holding Bhd	3.81%
Hartalega Holdings Bhd	3.60%
Genting Bhd	3.38%
My Eg Services Bhd	2.87%
Telekom Malaysia Bhd	2.58%
Total	43.19%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
Fund*	-2.38	-0.13	-7.19	15.69	-3.05	17.66	160.99
Benchmark	-3.26	-0.33	-9.35	4.16	-21.57	-12.67	85.16

* 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 April 2023, the Fund was down 0.13%, outperforming the benchmark by 20 basis points (bps). The outperformance was mainly due to the fund's overweight in Consumer Discretionary, Industrials and Information Technology as well as its underweight in Materials.

Portfolio Strategy

FBMKLCI was down 0.5%, hence ending April at 1416 pts. Commodities, Telcos and Consumer Discretionary did well during the month, while Financials weakened further on lingering fear of a potential banking contagion.

Malaysia's PMI reading for April was 48.8 pts, similar to March. According to S&P Global, demand generally remained subdued, leading firms to limit production and scale back their purchasing activity. However, there were some positive signs with regards to new export orders. Also positive was improving employment trends with hirings up for the fourth month running, shorter delivery times and input cost inflation muted, the latter enabling firms to reduce output prices to stimulate demand. Overall, hopes that new orders will return to growth supported confidence that production will rise over the next 12 months.

No change to BNM's GDP growth of 4-5% in 2023. BNM raised OPR by 25bps to 3.00% in the latest MPC meeting and economists are still expecting another 25bps hike for the rest of the year. Malaysia's CPI eased to 3.4% in March against February's 3.7%, driven by lower price of RON97, as well as lower pace of increase in Restaurant and Hotels, and Food and Non-alcoholic beverages. The latest reading was within BNM's inflation target of 2.8-3.8% for 2023.

Malaysia's equity market valuations remain extremely compressed with forward PE of under 13x still at over -2SD below the historical mean. This is based on consensus earnings growth of 9% for 2023 and 6% for 2024. The re-tabled Budget 2023 offered much needed clarity on the new Government's policy posture. Overall, we are encouraged by the non-extension of Prosperity Tax (no derailment of re-acceleration of corporate earnings in 2023), delayed implementation of GST and capital gains tax, and fiscal target discipline. There were also numerous tax incentives to spur MSMEs and investments into various high impact sectors. We remain hopeful that elevated risk premiums on Malaysia would abate over time.

Despite domestic fundamentals and valuations remains positive, we are cautious on near term given the global risk events. Thus, we prefer to be defensive and have adopted a barbell approach between value and growth. In terms of sectors, we prefer domestic driven sectors such as Consumer Discretionary and Utilities which deemed as more defensive in nature among the sectors while we continue to like structural growth themes in selective Technology. In view of stronger rebound in tourist arrivals post reopening, we also like airport and tourism related stocks. Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a larger-than-expected impact of rising inflation, slower global economic growth as well as heightened geopolitical risks.

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 : *28 April 2023*

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.