

### 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	27.14 million units (30 November 2021)	Fund Size	RM72.44 million (30 November 2021)
Unit NAV	RM2.6687 (30 November 2021)	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"> <li>▪ With a medium to long-term investment horizon</li> <li>▪ Seek maximum capital appreciation</li> <li>▪ Do not require regular income</li> <li>▪ Comfortable with higher volatility</li> <li>▪ Willing to take higher risk for potential higher gains</li> </ul>	Other Charges	Inclusive of auditor fee & transaction charge

### ASSET ALLOCATION OF THE FUND

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

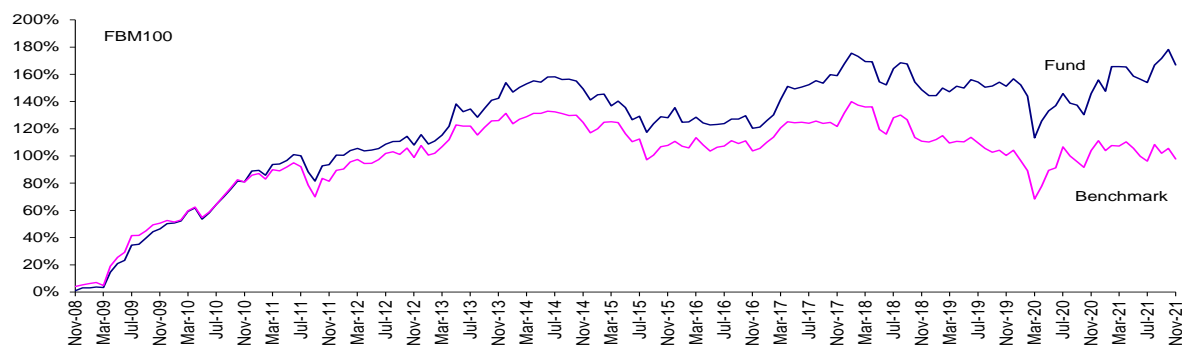
## SECTOR ALLOCATION OF THE FUND

Financial Services	30.97%
Industrial Products & Services	18.32%
Technology	16.01%
Consumer Products & Services	9.07%
Energy	5.51%
Plantation	4.05%
Health Care	3.80%
Construction	3.18%
Telecommunications & Media	2.54%
Transportation & Logistics	2.18%
Property	0.43%
Cash	3.94%
<b>Total</b>	<b>100.00%</b>

## TOP HOLDINGS OF THE FUND (EQUITIES)

CIMB Group Holdings Bhd	8.06%
Malayan Banking Bhd	7.48%
Press Metal Aluminium Holding Bhd	5.87%
Public Bank Bhd - Local	5.74%
Petronas Chemicals Group Bhd	4.78%
Inari Amertron Bhd	4.09%
RHB Bank Bhd	3.83%
Sime Darby Plantation Bhd	3.06%
AMMB Holdings Bhd	3.01%
Genting Malaysia Bhd	2.90%
<b>Total</b>	<b>48.82%</b>

## PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Years	5-Years	10-Years	Since Inception
<b>Fund*</b>	4.31	-4.08	8.58	7.34	21.10	37.82	166.87
<b>Benchmark</b>	-6.37	-3.75	-2.98	-6.19	-2.91	9.04	97.82

\* 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 November, the Fund fell 4.08%, underperforming the benchmark by 33 basis points. The underperformance was mainly due to the underweight in Health Care and Communication Service as well as the overweight in Consumer Discretionary, Energy and Materials. On the YTD, the Fund outperformed the Benchmark by 10.68%.

### Portfolio Strategy

FBMKLCI lost 48.3pts or 3.1% and landed at 1,513.98pts in November. The market was in consolidation mode post-Budget 2022 mainly due to the tax measures and the hike in stamp duty. The discovery of a seemingly more virulent variant of the Covid-19 virus named Omicron and the new wave of infections in several parts of the world dashed hopes of an uninterrupted reopening and triggered another round of broad-based sell-off. Glove stocks dominated the gainers leaderboard, while the broader market languished.

Malaysia's manufacturing PMI improved further to 52.3pts from 52.2pts in October and was the second straight month of growth in factory activity and the strongest since April. Production and new order volumes expanded at the fastest pace in seven months, aided by lifting of movement restrictions. Employment rose for the first time since March as firms add capacity to fulfill orders. On inflation, input prices rose at the sharpest pace since May due to high raw material and freight costs. Exports however remained subdued with sustained supply-chain constraints often the reason cited. IHS Markit indicated that, "Confidence has strengthened due to hopes that national and international pandemic restrictions would lift and aid a recovery in production and sales".

Bank Negara maintained OPR at 1.75% during the MPC meeting on 3 November. We expect 25bps hikes in 2022 and 2023 each respectively. Inflation is expected to moderate from the projected 2.4% in 2021 to 2.1% in 2022. The government estimates GDP growth of 3.0-4.0% for 2021, accelerating to 5.5-6.5% in 2022, based on the anticipated reopening of all economic and social sectors in 4Q21 due to the advanced vaccination progress. It is still too early to measure the impact of Omicron on the economy.

We project 4% earnings growth for the FBM KLCI for 2022 but 15% growth excluding the Glove sector and the impact of Prosperity Tax which we consider as one-off.

Investor sentiment is dented by the Omicron Covid-19 variant and the one-off broad-based Prosperity Tax which hurts corporate earnings in 2022. As such, we adopt a balanced approach with adequate diversification, straddling reopening plays and sectors with structural or secular growth stories. We remain steadfast in our strategy to remain constructive on Financial, cyclical themes such as Consumer Discretionary, and selective Technology albeit reducing the overweight. We may also look to reduce our underweight on Glove as well as on Plantation. The market may likely be range-bound in 2022 but the index could rise above 1,600 pts by end-2022 should valuations revert to the mean. Key risks to our view would be the derailment of Malaysia's macro recovery and corporate earnings growth due to a more severe impact of new Covid-19 variants and heightened political risks domestically, and larger-than-expected impact of rising inflation and consequently a more aggressive tapering.

## RISKS

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

<b>Market risk</b>	<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"><li>• Economic and financial market conditions</li><li>• Political change</li><li>• Broad investor sentiment</li><li>• Movements in interest rate and inflation</li><li>• Currency risks</li></ul> <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>
<b>Company or security specific risk</b>	<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>
<b>Credit risk</b>	<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 2021*

### 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.