

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	25.77 million units (30 April 2020)	Fund Size	RM58.15million (30 April 2020)
Unit NAV	RM2.2560 (30 April 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%

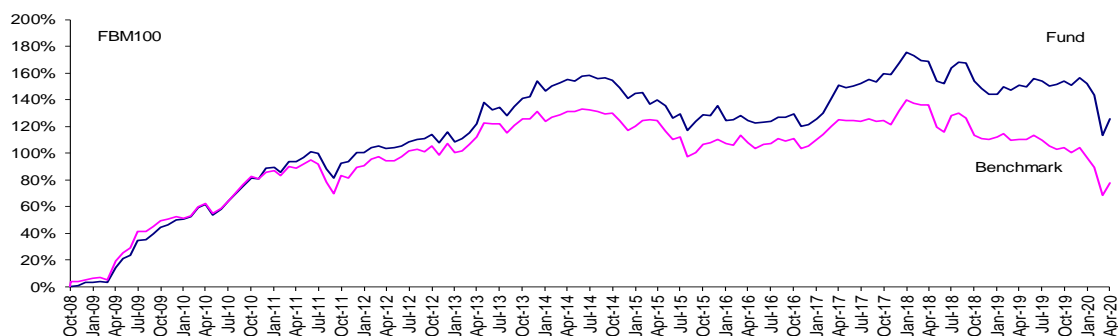
SECTOR ALLOCATION OF THE FUND

Financial Services	21.41%
Consumer Products & Services	10.16%
Telecommunications & Media	9.48%
Technology	8.11%
Utilities	8.02%
Construction	5.92%
Plantation	4.38%
Health Care	3.35%
Industrial Products & Services	3.26%
REIT	3.24%
Transportation & Logistics	3.23%
Energy	2.74%
Property	1.73%
Cash	14.95%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Public Bank Bhd - Local	7.61%
Malayan Banking Bhd	7.14%
Tenaga Nasional Bhd	7.11%
RHB Bank Bhd	3.56%
IHH Healthcare Bhd	3.35%
Axiata Group Bhd	3.09%
Digi.com Bhd	2.82%
Gamuda Bhd	2.61%
Genting Malaysia Bhd	2.56%
Dialog Group Bhd	2.55%
Total	42.40%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund*	-12.09	5.78	-10.22	-10.16	-6.10	39.38	125.60
Benchmark	-12.93	5.57	-15.62	-21.06	-20.81	9.42	77.75

* 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, the fund was up 5.78%, outperforming the benchmark by 0.21%. Outperformance came mainly from the overweight in technology, consumer and financials. At the stock level, the overweight in BAT, Dayang and Econpile are contributors. Year-to-date, the fund is down -12.09%, outperforming its benchmark by 0.84%.

A liquidity driven relief rally lifted The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") by 4.2% in Apr, trimming YTD loss to 11.4%. Small and mid-cap stocks, led mainly by technology stocks, staged a much stronger rebound as the FBM Small Cap Index surged 20.2% in Apr. The sharp turnaround in investors' sentiment was driven by coordinated fiscal and monetary responses globally following the Covid-19 outbreak which led to a sharp recession as economic activities came to a halt. Within the energy market, sentiment has also improved as OPEC+ agreed to cut production by 9.7m bpd although it remains doubtful whether it is enough to stem the near-term supply glut which led to continued volatility in the commodity market. The Malaysian federal government has started easing its movement control order (MCO), which was implemented almost 7 weeks ago on 18 Mar, as it transitioned into conditional movement control order (CMCO) phase from 4 May with more relaxed social distancing rules. Note that since MCO was implemented, new cases have peaked in end Mar and has been on a declining trend since. Nevertheless, the increasing number of new cases detected among foreign workers is a concern which led to the government calling for mandatory screening of all foreign workers. Malaysia has also implemented RM250bn fiscal stimulus package as well as cut its overnight policy rate (OPR) by 100bps YTD to 2.0% to counter the effect of MCO and Covid-19.

Portfolio Strategy

Despite the significant fiscal and monetary policy response, we still expect the domestic economy to be severely impacted by both supply disruption and demand destruction. This view was echoed by World Bank which recently cut its 2020 GDP growth forecast for Malaysia from 4.5% to -0.1% while Bank Negara Malaysia has also lowered its forecast range to -2.0% to +0.5%. While we believe the government may introduce further fiscal and monetary stimulus should the need arises, the headroom for fiscal spending is limited given its high indebtedness, limited source of fiscal revenue and dampening effect of lower crude oil price. Given the current valuation and earnings risks which are tilted to the downside, we will be maintaining our capital preservation stance and position for accumulation when market corrects. We will continue to adopt a barbell approach of buying high yield and growth stocks but will be more selective on quality names with resilient earnings and track record. Potential flare up in trade dispute between US and China further increase volatility in the market and dampens the prospect of economy recovery.

Source : *Principal Asset Management Bhd*

Date : *30 April 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.