

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	24.55 million units (31 January 2020)	Fund Size	RM61.93 million (31 January 2020)
Unit NAV	RM2.5226 (31 January 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%

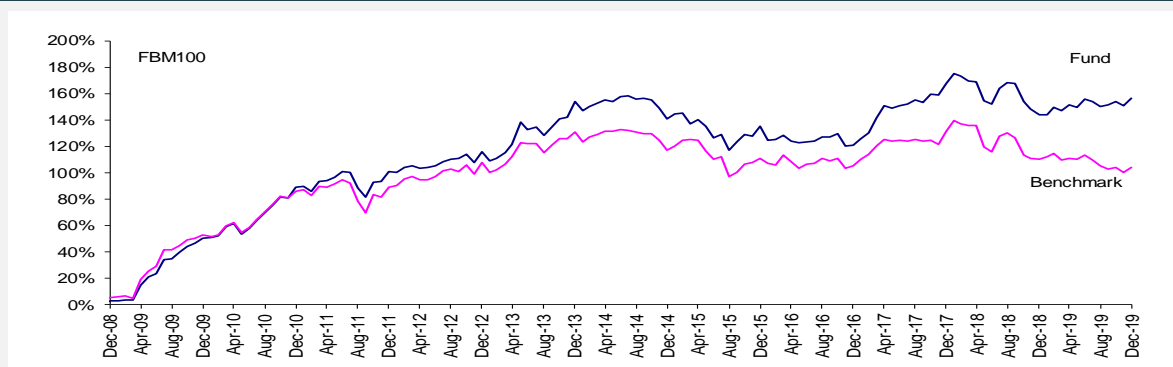
SECTOR ALLOCATION OF THE FUND

Financial Services	24.54%
Telecommunications & Media	9.09%
Health Care	8.73%
Energy	7.60%
Utilities	7.59%
Plantation	7.42%
Consumer Products & Services	7.35%
Industrial Products & Services	6.29%
Construction	4.35%
Technology	4.10%
Transportation & Logistics	3.28%
REIT	3.05%
Property	1.95%
Cash	4.65%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Malayan Banking Bhd	7.06%
Tenaga Nasional Bhd	6.72%
CIMB Group Holdings Bhd	5.64%
Public Bank Bhd- Local	5.10%
RHB Bank Bhd	4.00%
Digi.com Bhd	3.50%
IHH Healthcare Bhd	3.42%
Top Glove Corp Bhd	3.18%
Press Metal Aluminium Hldg Bhd	3.00%
Sime Darby Bhd	2.95%
Total	44.57%

PERFORMANCE RECORD



%	YTD	1M	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund*	-1.70	-1.70	3.25	11.63	2.99	66.79	152.26
Benchmark	-3.70	-3.70	-7.29	-6.44	-10.64	29.75	96.61

* 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 January, the fund was down -1.70%, outperforming its benchmark by 2.00%. Outperformance came mainly from the overweight in Oil and Gas and Technology. At the stock level, the overweight in Dayang, Vitrox and underweight in Public bank were key contributors.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCI") started the year positively before succumbing to sell-down as fears of novel coronavirus outbreak dampens investors sentiment. The benchmark index declined 3.6% in Jan 2020 with notable gainers were gloves and healthcare stocks such as Top Glove (+24.5%), Hartalega (+8.0%), and IHH (+4.2%) which are beneficiaries of the novel coronavirus outbreak. Given the widespread travel curtailment imposed by various governments since the novel coronavirus outbreak in Wuhan, global tourism will be hit in the near term. This dampens the prospect of Malaysia achieving its 30m tourist arrival target during Visit Malaysia Year 2020 as China accounts for 2.94m or 12% of arrivals in 2018 (vs 0.7m or 6% in 2002 prior to SARS). BNM has surprised the market in Jan by cutting the Overnight Policy Rate (OPR) by 25 bps to 2.75% as the central bank took pre-emptive measure to support the economic growth trajectory amid benign inflationary pressure and still uncertain geopolitical tensions and policy uncertainties in a number of countries. Despite external headwinds, we expect growth to be sustained at a moderate rate in 2020. This will be underpinned by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega infrastructure projects) and accommodative monetary policy. Externally, the rebound in PMI to 50 in Dec 19 after hitting a low of 46.8 in Dec 18 bodes well for exports outlook particularly in the electronics and electrical (E&E) segment. Furthermore, the plantation sector will also be boosted by improving supply and demand dynamics. Given a modest consensus earnings growth expectation of 7.5% in 2020, we believe earnings upside risks outweigh downside risks.

Portfolio Strategy

We remain steadfast with our OVERWEIGHT position on Malaysia as it is a low beta and defensive market during period of uncertainty. Our barbell approach will provide the much needed stability on the back of increasing volatility. On sectors which will specifically be impacted by the novel coronavirus outbreak, we will tactically underweight the aviation sector while take the opportunity to trade the glove and healthcare sectors. We will continue to buy growth sectors like banks, plantation and oil and gas on weakness.

Source : *Principal Asset Management Bhd*

Date : *31 January 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.