

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 | 27.11 million units (30 August 2021) | Fund Size | RM72.34 million (30 August 2021) |
| Unit NAV | RM2.6684 (30 August 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"> ▪ 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% |

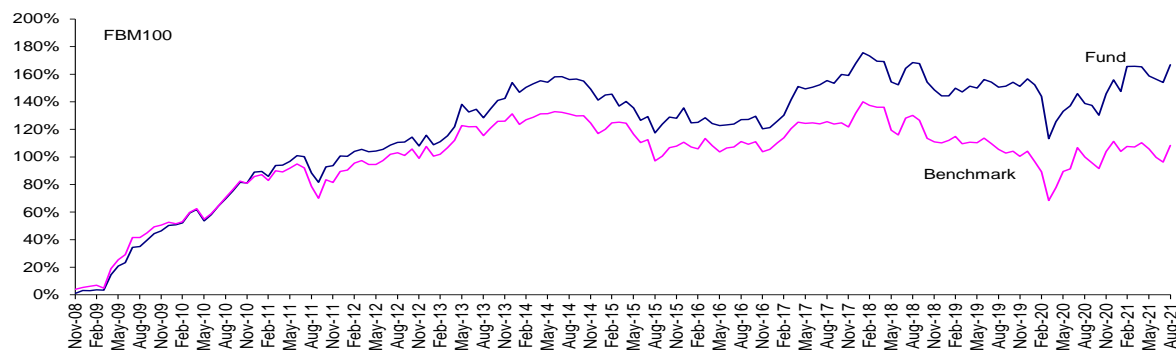
SECTOR ALLOCATION OF THE FUND

| | |
|--------------------------------|----------------|
| Financial Services | 30.54% |
| Industrial Products & Services | 17.43% |
| Technology | 12.97% |
| Consumer Products & Services | 11.37% |
| Energy | 7.15% |
| Utilities | 4.79% |
| Transportation & Logistics | 4.21% |
| Construction | 3.30% |
| Telecommunications & Media | 3.22% |
| Plantation | 0.86% |
| Property | 0.51% |
| Health Care | 0.51% |
| Cash | 3.13% |
| Total | 100.00% |

TOP HOLDINGS OF THE FUND (EQUITIES)

| | |
|-----------------------------------|---------------|
| CIMB Group Holdings Bhd | 8.11% |
| Malayan Banking Bhd | 7.00% |
| Public Bank Bhd - Local | 6.10% |
| Press Metal Aluminium Holding Bhd | 5.04% |
| Petronas Chemicals Group Bhd | 4.68% |
| RHB Bank Bhd | 4.06% |
| Tenaga Nasional Bhd | 3.79% |
| Inari Amertron Bhd | 3.32% |
| Genting Bhd | 3.19% |
| Hong Leong Bank Bhd | 3.03% |
| Total | 48.32% |

PERFORMANCE RECORD



| % | YTD | 1M | 1-Year | 3-Years | 5-Years | 10-Years | Since Inception |
|------------------|-------|------|--------|---------|---------|----------|-----------------|
| Fund* | 4.30 | 5.06 | 11.76 | -0.60 | 17.49 | 41.70 | 166.84 |
| Benchmark | -1.38 | 6.19 | 4.19 | -9.45 | -1.34 | 16.64 | 108.35 |

* 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 August, the Fund rose 5.06%, underperforming the benchmark by 1.13%. The underperformance was mainly due to overweight in Energy and Information Technology as well as the underweight in Consumer Staples and Utilities. On the YTD, the Fund outperformed the Benchmark by 5.68%.

Portfolio Strategy

FBMKLCI rose 106pts or 7% to 1,601.38pts in August, a level not seen since June before the whole domestic political debacle started and it was the best monthly performance in over a decade. Although Plantations stocks led the pack, reopening plays, dominated by large-caps, were in focus - Transport (+6%), Finance (+6%), Industrials (+6%) and Consumer (4%).

Malaysia's manufacturing PMI rose further to 43.4pts in August from 40.1pts in July - the manufacturing sector remained weak, albeit improving. Businesses reported reductions in both production levels and new orders as rise in COVID-19 cases hampered output and sales, however, easing lockdown measures helped take some of the pressure off. On a positive note, expectations for the coming year have improved as more companies grew optimistic that the worst of the pandemic has passed.

We expect Bank Negara to maintain the OPR at 1.75% in the upcoming MPC meeting. The continuation of an accommodative monetary policy is deemed appropriate. The central bank has officially revised its 2021 GDP growth forecast to 3.0-4.0% (previously at 6.0-7.5%). The estimate is based on the anticipated reopening of all economic and social sectors in 4Q21 due to the advanced vaccination progress.

Corporate earnings are poised for strong recovery, despite the persistent weak economic conditions. We project 53% earnings growth for 2021 for our coverage universe followed by a further 5% growth for 2022. Excluding Glove sector, growth for 2021 and 2022 would be 45% and 20% respectively, which are considered commendable.

We turn positive on Malaysia as movement controls ease, paving way for a full economy reopening, and domestic political issues abating. We continue to be selective on stocks from a bottom-up basis that plays into the reopening theme and thus remain constructive on sectors such as Financial, cyclical themes namely Consumer Discretionary, Basic Materials and select Transport. Technology has done well but interests could wane as the market broaden out, hence, we are selective on Tech names. We continue to underweight Glove and Plantation given their earnings prospects and ESG issues.

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 : *30 August 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.