

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	23.90 million units (29 November 2019)	Fund Size	RM60.04 million (29 November 2019)
Unit NAV	RM2.5122 (29 November 2019)	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%

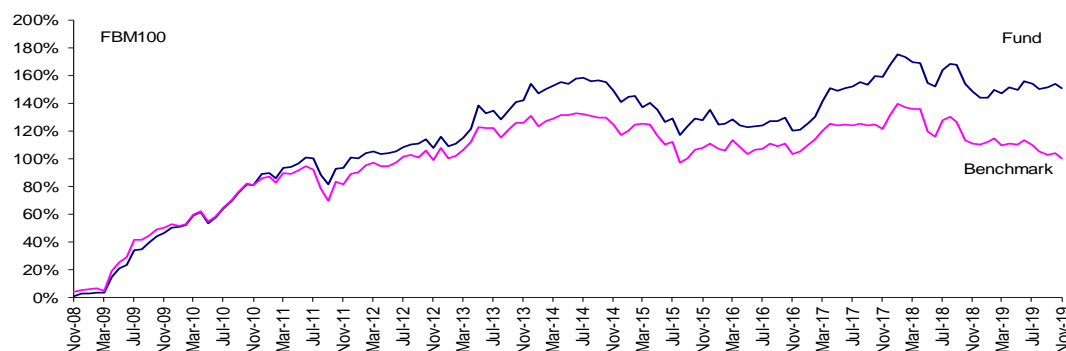
SECTOR ALLOCATION OF THE FUND

Financial Services	23.77%
Telecommunications & Media	8.59%
Industrial Products & Services	8.41%
Consumer Products & Services	8.36%
Utilities	8.28%
Plantation	7.54%
Energy	7.48%
Transportation & Logistics	5.68%
Health Care	5.59%
Technology	4.20%
Construction	3.91%
REIT	3.19%
Property	2.03%
Cash	2.96%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Malayan Banking Bhd	7.87%
Tenaga Nasional Bhd	7.32%
Public Bank Bhd- Local	5.55%
CIMB Group Holdings Bhd	5.45%
Digi.com Bhd	3.83%
IHH Healthcare Bhd	3.32%
Sime Darby Bhd	3.14%
Press Metal Aluminium Hdg Bhd	2.98%
Petronas Chemicals Group Bhd	2.89%
Axiata Group Bhd	2.83%
Total	45.18%

PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.83	-1.16	0.26	0.50	1.04	14.00	151.22
Benchmark	-4.67	-1.86	-2.51	-4.73	-4.97	-1.65	100.39

* 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 was down -1.16%, outperforming its benchmark by 0.70%. Outperformance came mainly from the overweight in Oil and Gas, Technology and Financials. At the stock level, the overweight in Dayang, MPI and underweight in Public bank were key contributors. Year-to-date, the fund is up 2.83%, outperforming its benchmark by 7.50%.

KLCI dipped 2.3% in Nov (YTD: -7.6%). While this was in line with regional market performance (MSCI ASEAN lost 1.8% in Nov), the local bourse was also dragged by the sharp sell-down of TNB (-4.1%) on the last trading day of the month following the announcement of further back taxes imposed by IRB amounting to RM4bn. Malaysian GDP growth slowed to 4.4% in 3Q19 (slowest in a year) vs 4.9% in 2Q19. The slowdown was broad-based amid external headwinds and domestic fiscal consolidation. Private consumption remains the main engine of growth, but its pace has normalized to 7% (2Q19: 7.8%) amid dampened consumer sentiment. Although public investment slump of -14.1% in 3Q19 was not a surprise due to disruption caused by review of mega infrastructure projects, the near-stagnant private investment of +0.3% (2Q19: +1.8%) was a concern. Net external demand growth remains in double digit but has also slowed given the trade tension (3Q19: +15.9%, 2Q19: +22.9%). Going into 2020, we expect Malaysian economic growth to remain moderate as external headwinds are mitigated by more growth-oriented Budget 2020 (higher fiscal deficit, resumption of mega projects) and recent OPR and SRR cuts by BNM.

Portfolio Strategy

Despite lack of growth, we upgrade Malaysia to OVERWEIGHT as we turn constructively more positive going into 2020. KLCI's valuation has now dipped to 15.4x which is at -1SD. We believe earnings downside risk has narrowed significantly following recent cuts which is further supported by undemanding valuation now. Amid moderate economic growth and low interest rate environment, dividend investment theme is still relevant. As such, we continue to like REITs and high dividend yielding stocks such as utilities and banks. With expectation of a truce in trade tension and growth stabilization, we would also be taking positions on selective value stocks now especially banks and basic material. Meanwhile, cyclical growth stocks in construction, oil and gas, and technology sectors remained in favour.

Source : *Principal Asset Management Bhd*

Date : *29 November 2019*

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.