

# Principal DALI Asia Pacific Equity Growth Fund

31 December 2022



## Fund Objective

The Fund aims to provide investors with long-term capital growth by investing principally in equities. The Fund also seeks to outperform the benchmark. The Fund will invest a minimum of 70% and up to a maximum of 98% of its NAV in Shariah-compliant equities in order to gain long-term capital growth and up to 28% of its NAV in other permissible Shariah-compliant investments. The Fund may opt to invest in foreign Shariah-compliant equities up to a maximum of 70% of its NAV. Such foreign Shariah-compliant equities must be securities of companies domiciled in, listed in, and/or have significant operations in countries in Asia Pacific ex Japan.

## Lipper Score

Total Return



Consistent Return



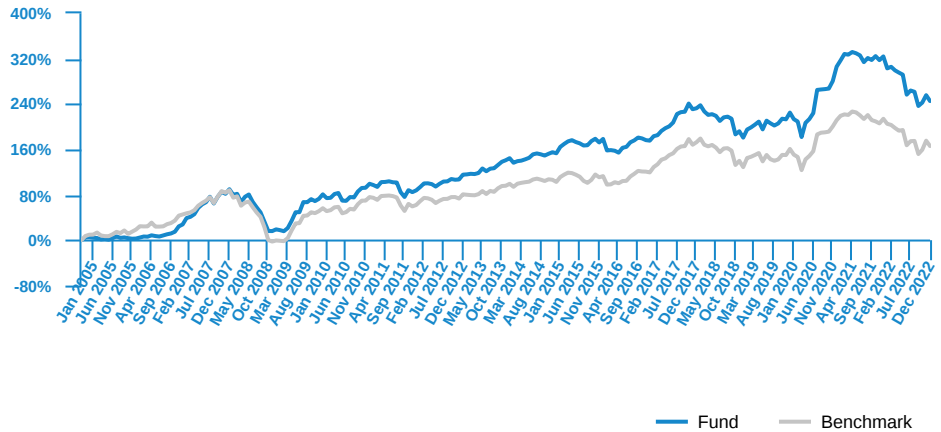
## Morningstar Rating



## Fund Information

ISIN Code	MYU1000BD009
Lipper ID	61501000
Bloomberg Ticker	SBBIKLS MK
Domicile	Malaysia
Currency	MYR
Base Currency	MYR
Fund Inception	8 Oct 2004
Benchmark	30% FTSE Bursa Malaysia EMAS Shariah Index + 70% MSCI AC Asia ex Japan Islamic Index
Application Fee	IUTAs: 6.50% of the NAV per unit Principal Agency Distributor: 6.50% of the NAV per unit
Management Fee	1.50% p.a. of the NAV
Trustee Fee	0.06% p.a. of the NAV
Fund Size (MYR)	MYR 1284.82 million
Fund Unit	2490.20 million units
NAV per unit (As at 30 Dec 2022)	MYR 0.5159

## Fund Performance



Past performance does not guarantee future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

Cumulative Performance (%)								
	YTD	1M	3M	6M	1Y	3Y	5Y	Since Inception
Fund	-18.57	-2.92	2.58	-3.16	-18.57	6.25	3.81	246.45
Benchmark	-15.31	-3.45	5.60	-0.53	-15.31	1.95	-2.48	165.23

Calendar Year Returns (%)							
	2022	2021	2020	2019	2018	2017	
Fund	-18.57	4.47	24.91	15.73	-15.58	20.73	
Benchmark	-15.31	0.82	19.41	14.03	-16.12	24.23	

Most Recent Fund Distributions						
	2022 Oct	2021 Oct	2020 Oct	2017 Sep	2016 Sep	2015 Oct
Gross (sen/unit)	1.68	2.20	3.20	2.00	1.00	5.40
Annualised Yield (%)	3.28	3.36	2.88	2.37	1.17	6.34

Most Recent Unit Splits						
	2021 Mar					
Ratio	4:5					

Note: October 2004 to December 2022.

Performance data represents the combined income & capital return as a result of holding units in the fund for the specified length of time, based on bid to bid prices. Earnings are assumed to be reinvested.

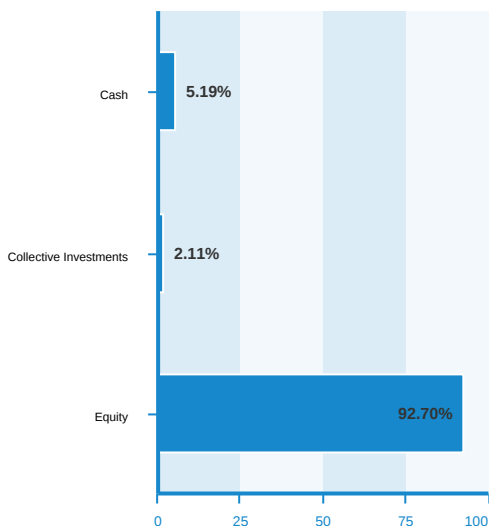
Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

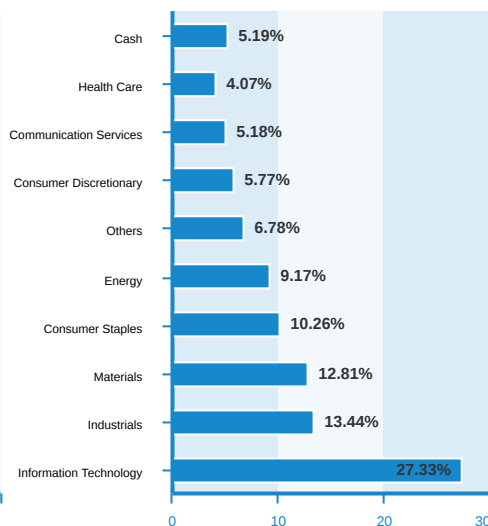
Top Holdings			Fund Risk Statistics	
	Country	% of Net Assets		
Samsung Electronics Co Ltd	South Korea	8.17	Beta	0.96
Reliance Industries Ltd	India	5.39	Information Ratio	0.10
Samsung Electronics - PFD	South Korea	3.44	Sharpe Ratio	-0.01
Petronas Chemicals Group Bhd	Malaysia	3.09	(3 years monthly data)	
Taiwan Semiconductor Manufacturing	Taiwan	2.62		
SK Hynix Inc	South Korea	2.53		
Press Metal Aluminium Holdings Bhd	Malaysia	2.50		
Shell PLC	United Kingdom	2.43		
Sime Darby Plantation Bhd	Malaysia	2.35		
My Eg Services Bhd	Malaysia	2.06		

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

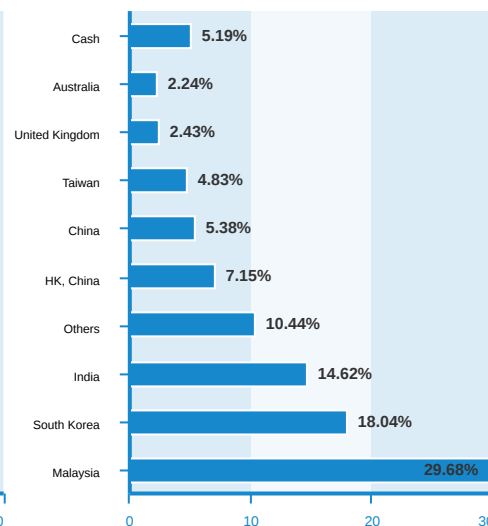
## Asset Allocation (%)



## Sector Allocation (%)



## Regional Allocation (%)



Source: Factset. Fund holdings and allocations shown are unaudited and may not be representative of current or future investments. Percentages may not add up to 100% due to rounding and/or inclusion or exclusion of cash will not be reflected in the top holdings list.

## Fund Manager's Report

During the month, the Fund declined 2.92% in MYR terms, outperforming the Benchmark by 53 basis points (bps) mainly due to underweight position in Korea. Year-to-date, the Fund declined by -18.57%, underperforming the Benchmark by 326bps.

With bulk of monetary policy tightening being implemented in 2022, we are near the last leg of rate hike increases. However, near term volatility could arise with the market as implied by the Fed Funds Futures expecting a peak policy rate of 4.9% by June 2023, a half year mismatch/ optimism against the Fed's prediction. Post the congress meeting, China has surprised the market in which the speed it is reopening the economy and its intention to turnaround the property and internet sectors that were previously impacted from self-inflicted regulations. While we expect economic repair to be the focus for 2023, the key issues are (a) Will stimulative policies be sufficient to turnaround the sectors which had been hard hit and, (b) To what extent will corporates, e.g. in internet be able to normalize their business activities. We favor reopening plays in China and beneficiaries of policy tailwinds. We remain fully invested. During the month, we added commodity names exposed to the China reopening and Korean hardware names where there is some form of expectations bottoming in 1H23.

Given the recent positive market momentum as well as the prospects of reduced risk premium and upside in valuation, we are cautiously positive on Malaysia. We would continue to focus on companies with firm fundamentals, strong cash flows generation and defensive in nature. We see opportunity in select Technology and tourism related stocks as China will soon reopen borders in January 2023. Key risks are derailment of Malaysia's macro recovery and corporate earnings growth due to a larger-than-expected impact of rising inflation, slower global economic growth as well as heightened geopolitical risks.

<sup>^</sup>Based on the fund's portfolio returns as at 15 December 2022, the Volatility Factor (VF) for this fund is 14.69 and is classified as "Moderate" (source: FIMM). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by FIMM based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. We recommend that you read and understand the contents of the Master Prospectus (Islamic Funds) dated 31 December 2019, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus (Shariah-Compliant Funds) for your records. Any issue of units to which the Master Prospectus (Shariah-Compliant Funds) relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus (Shariah-Compliant Funds), subject to the terms and conditions therein. Investments in the Fund are exposed to country risk, currency risk, risk of investing in emerging markets, risks associated with investment in warrants, stock specific risk. You can obtain a copy of the Master Prospectus (Shariah-Compliant Funds) from the head office of Principal Asset Management Berhad or from any of our approved distributors. Product Highlight Sheet ("PHS") is available and that investors have the right to request for a PHS; and the PHS and any other product disclosure document should be read and understood before making any investment decision. There are fees and charges involved in investing in the funds. We suggest that you consider these fees and charges carefully prior to making an investment. Unit prices and income distributions, if any, may fall or rise. Past performance is not reflective of future performance and income distributions are not guaranteed. You are also advised to read and understand the contents of the Financing for Investment in Unit Trust Risk Disclosure Statement before deciding to obtain financing to purchase units. Where a unit split/distribution is declared, you are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units.

Carefully consider a fund's objective, risks, charges and expenses.

Visit [www.principal.com.my](http://www.principal.com.my) for a prospectus containing this and other information. Please read it carefully before investing.