

Principal DALI Equity Growth Fund

29 February 2024



Fund Objective

The Fund aims to achieve consistent capital growth over the medium to long-term. The Fund may invest a minimum of 70% and up to a maximum of 98% of its NAV principally in Shariah-compliant equities aimed to provide growth and up to 28% of its NAV in other permissible Shariah-compliant investments, such as Sukuk with a minimum credit rating of A3 or P2 by RAM or equivalent rating by MARC or by local rating agency(ies) of the country of issuance; or BBB- by S&P or equivalent rating by any other international rating agencies.

Lipper Score

Total Return

1

Consistent Return

1

Morningstar Rating



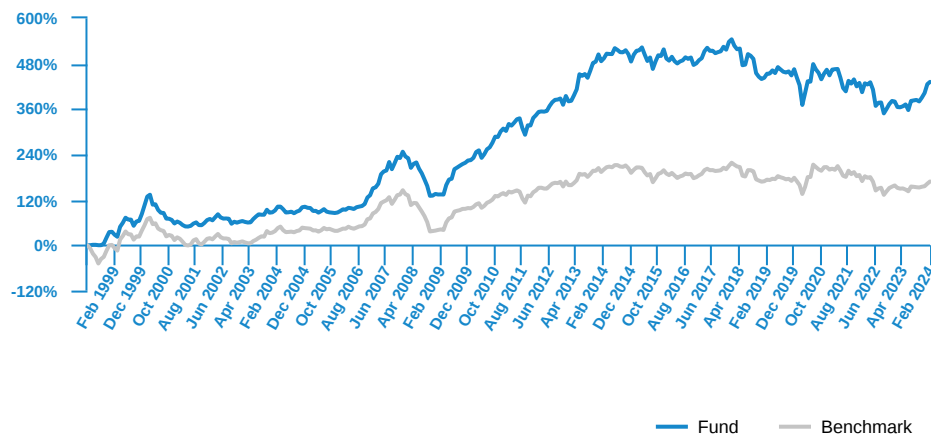
Sustainability



Fund Information

ISIN Code	MYU1000BB003
Lipper ID	60000754
Bloomberg Ticker	BHLPDAI MK
Domicile	Malaysia
Currency	MYR
Base Currency	MYR
Fund Inception	7 May 1998
Benchmark	FTSE Bursa Malaysia EMAS Shariah Index
Application Fee	IUTAs: 6.50% of NAV per unit Principal Agency Distributor: 6.50% of NAV per unit
Management Fee	1.50% p.a. of the NAV
Trustee Fee	0.045% p.a. of the NAV
Fund Size (MYR)	MYR 1525.44 million
Fund Unit	1524.95 million units
NAV per unit (As at 29 Feb 2024)	MYR 1.0003
Initial Offering Period (IOP) Date	28 May 1998
Initial Offering Period (IOP) Price	MYR 1.00

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	5.84	1.16	8.47	10.15	14.32	-5.73	-3.86	432.06
Benchmark	4.91	2.22	5.48	5.56	6.76	-11.18	-1.74	168.60

Calendar Year Returns (%)		2023	2022	2021	2020	2019	2018
Fund		4.40	-9.03	-6.16	-0.24	4.80	-15.41
Benchmark		0.46	-10.80	-6.81	10.14	3.86	-13.52

Most Recent Fund Distributions		2022 Nov	2020 Jul	2019 Jul	2018 Jul	2017 Jul	2016 Aug
Gross (sen/unit)		0.42	0.76	2.16	6.50	6.50	6.50
Annualised Yield (%)		0.47	0.72	1.95	5.49	4.90	4.93

Note: May 1998 to February 2024.

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.

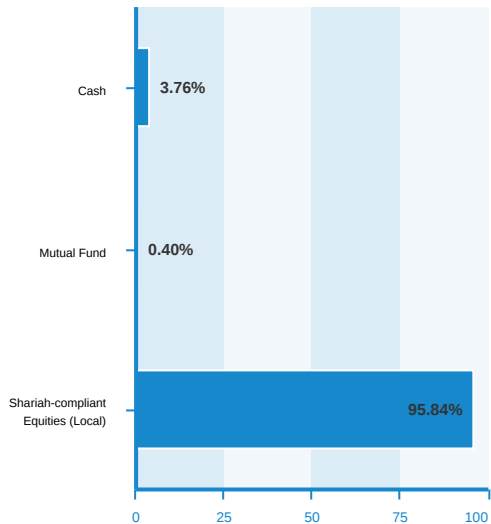
Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

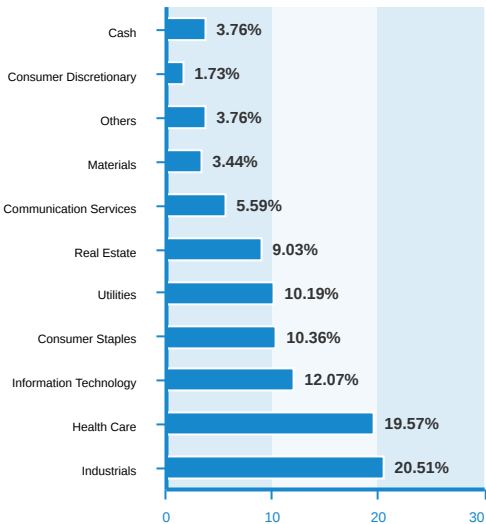
Top Holdings	Country	% of Net Assets	Fund Risk Statistics	
Tenaga Nasional Bhd	Malaysia	10.19	Beta	-
Hartalega Hldg Bhd	Malaysia	8.24	Information Ratio	-
Sunway Bhd	Malaysia	4.98	Sharpe Ratio	-
Telekom Malaysia Bhd	Malaysia	4.90	(3 years monthly data)	
IHH Healthcare Bhd	Malaysia	4.48		
My Eg Services Bhd	Malaysia	4.03		
Inari Amertron Bhd	Malaysia	3.67		
IJM Corp Bhd	Malaysia	3.60		
Press Metal Aluminium Hldg Bhd	Malaysia	3.40		
Sime Darby Plantation Bhd	Malaysia	3.30		

The holdings listed do not constitute a recommendation to purchase or sell a particular security. Any repeated issuer shown means same issuer with different coupon rate and/or maturity date. Cash and/or derivative positions that are not part of the core investment strategy will not be reflected in the top holdings list.

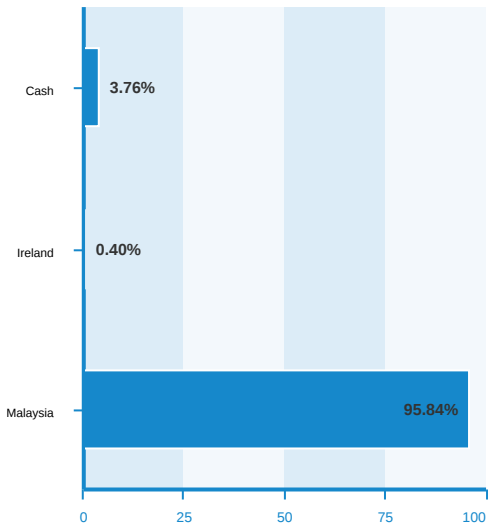
Asset Allocation (%)



Sector Allocation (%)



Regional Allocation (%)



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

In January 2024, the Fund rose 4.62%, outperforming the Benchmark by 199 basis points (bps) which was mainly due to the fund's overweight in Health Care, Industrials and Real Estate, its underweight in Consumer Staples and Materials, as well as the stock selection in Energy and Utilities.

Malaysia's PMI rose to a 16-month high of 49 pts versus 47.9 pts in December. According to S&P Global, overall optimism of Malaysian manufacturers picked up amid signs of demand improvement. Output and new orders moderated only modestly, while firms also saw smaller reductions in new export orders and backlogs. Notably, firms also reported further softening in price pressures, while job shedding was minimal. Manufacturers remain optimistic of demand conditions over the course of the next 12 months. The latest PMI suggests a slight pickup in GDP growth. To recap, BNM projects GDP to grow 4-5% in 2024, from an estimate of 3.8% in 2023.

BNM maintained OPR at 3.00% in recent MPC meeting. We expect the OPR to maintain in 2024 given muted inflation and modest economic growth. Inflation was at 1.5% in December, significantly undershooting BNM's revised target of 2.5-3.0% for 2023. Given the low base, there appears to be sufficient headroom to central bank's 2.1-3.6% CPI forecast for 2024 with the impending cut back in subsidies.

Malaysia's equity market valuation remains compressed with forward PE of 13.5x which is still ~1.5SD below the historical mean. This is based on consensus earnings growth of 11% for 2024 and 6% for 2025. More clarity on the new Government's policy posture, in our view, should reduce the current extreme risk premiums applied to the market (yield gap of ~370bps). We are also hopeful that the newly launched National Energy Transition Roadmap (NETR) by the government would revitalize domestic investment and buoy consumption. We identify 4 key catalysts that could spur the market: 1) Fed pivot and further weakness in the Dollar, 2) Reallocation of portfolio investments domestically, 3) Lower risk premiums as a result of fiscal consolidation and policy continuity and 4) Corporate earnings sustaining with growth re-accelerating.

We continue to be positive on the market. We make no changes to our key preferred sectors and remain constructive on sectors that stand to gain from the NETR, including Utilities, Construction, and Property. Additionally, we remain optimistic on selective Technology due to the ongoing structural growth trends in the sector. Key risks are the derailment of Malaysia's macroeconomic recovery and corporate earnings growth due to the larger-than-expected impact of rising inflation, slower global economic growth, and heightened geopolitical risks.

^Based on the fund's portfolio returns as at 15 February 2024, the Volatility Factor (VF) for this fund is 11.28 and is classified as "High" (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 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 for a prospectus containing this and other information. Please read it carefully before investing.