

Principal DALI Equity Growth Fund

31 December 2022



Fund Objective

The Fund seeks 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



Consistent Return



Morningstar Rating



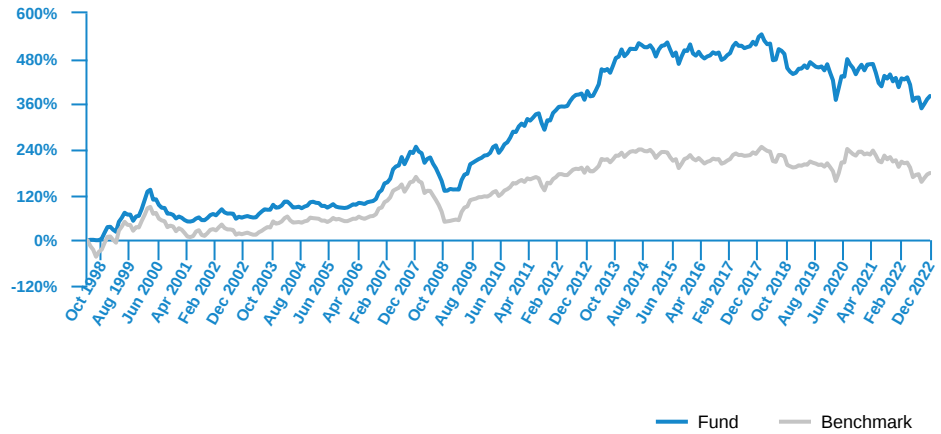
Sustainability



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	0.06% p.a. of the NAV
Fund Size (MYR)	MYR 1610.98 million
Fund Unit	1779.56 million units
NAV per unit (As at 30 Dec 2022)	MYR 0.9053

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	-9.03	1.78	7.32	2.80	-9.03	-14.84	-24.51	381.53
Benchmark	-10.80	1.44	9.30	4.14	-10.80	-8.45	-17.77	154.86

Calendar Year Returns (%)							
	2022	2021	2020	2019	2018	2017	
Fund	-9.03	-6.16	-0.24	4.80	-15.41	9.80	
Benchmark	-10.80	-6.81	10.14	3.86	-13.52	10.72	

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 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.

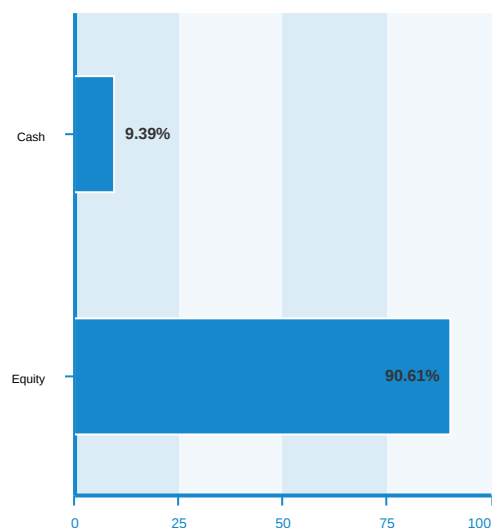
Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

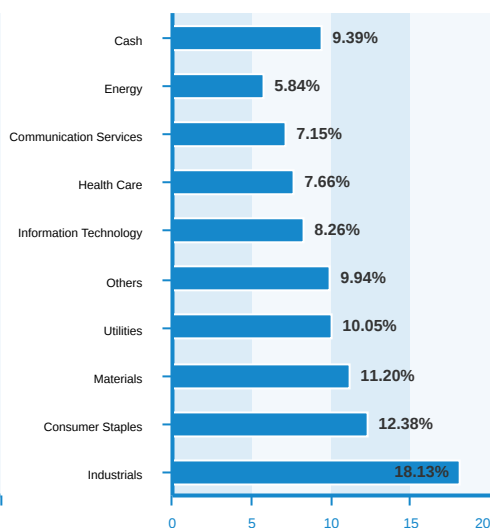
Top Holdings	Country	% of Net Assets	Fund Risk Statistics	
Tenaga Nasional Bhd	Malaysia	7.84	Beta	0.86
Petronas Chemicals Group Bhd	Malaysia	6.05	Information Ratio	-0.16
Press Metal Aluminium Hldg Bhd	Malaysia	5.14	Sharpe Ratio	-0.15
IHH Healthcare Bhd	Malaysia	4.64	(3 years monthly data)	
Sime Darby Plantation Bhd	Malaysia	4.64		
Telekom Malaysia Bhd	Malaysia	4.00		
Gamuda Bhd	Malaysia	3.75		
MISC Bhd	Malaysia	3.41		
IOI Corp Bhd	Malaysia	3.18		
My Eg Services Bhd	Malaysia	3.16		

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.

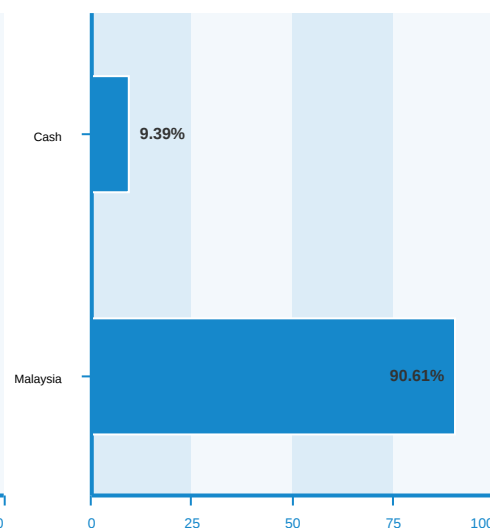
Asset Allocation (%)



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

In December, the Fund was up 1.78%, outperforming the Benchmark by 34 basis points (bps) which mainly due to the fund's stocks selection in Consumer Staples, Islamic Financials, Health Care and Utilities. On the YTD, the Fund outperformed the Benchmark by 177 bps.

Malaysia's PMI down slightly to 47.8pts in December (November: 47.9pts), representing the fourth straight month of contraction. Weak demand contributes to moderations in output and order books. Consequently, companies trimmed buying and lowered inventories levels. Employment had also softened for the second time in the past three months. Encouragingly, cost and supply pressures eased further - input cost inflation slowed to a 31-month low while output cost fell for the first time since May. According to S&P Global, firms remained hopeful that demand conditions would normalize over the coming year.

During the Budget 2023 announcement, Malaysia's GDP growth forecast for 2022 was revised upwards to 6.5-7.0% from of 5.3-6-3% previously, and headline inflation raised to 3.3%. The government expects GDP growth to decelerate to 4-5% in 2023. Budget 2023 was expansionary, and the government remains on a gradual fiscal consolidation path. BNM raised OPR by another 25bps in its recent MPC meeting, translating to a cumulative hike of 100bps for the year. Malaysia's CPI increased 4% in November, the same rate as October, with food and non-alcoholic beverages the main contributors.

Domestic political uncertainties have amplified the effects of global macroeconomic and geopolitical headwinds, resulting in Malaysia's equity market valuations being extremely compressed. Current forward PE is at 15x, more than 1.5 SD below historical mean. This is based on consensus earnings contraction of 2% in 2023 and 6% earnings growth in 2024. Beyond the initial celebratory rally, there needs to be some clarity on the policy direction of the new Government, hopefully via a new Budget 2023 that is slated to be proposed soon. That said, risk premiums should fall over time as some of these concerns abate. Malaysia should also play catch-up to recent positive shift in global investor sentiment on the back of easing monetary tightening measures and China's reopening.

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 reopens 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.

[^]Based on the fund's portfolio returns as at 15 December 2022, the Volatility Factor (VF) for this fund is 14.52 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 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.