

Principal Islamic Enhanced Opportunities Fund

31 October 2021

Available under the EPF Members Investment Scheme.

3-year Fund Volatility
16.23
High
Lipper Analytics
15 Oct 2021

Fund Objective

To earn reasonable returns for investors by investing in approved equities listed on Bursa Malaysia as well as unlisted securities and other non-interest bearing assets acceptable under Shariah principles.

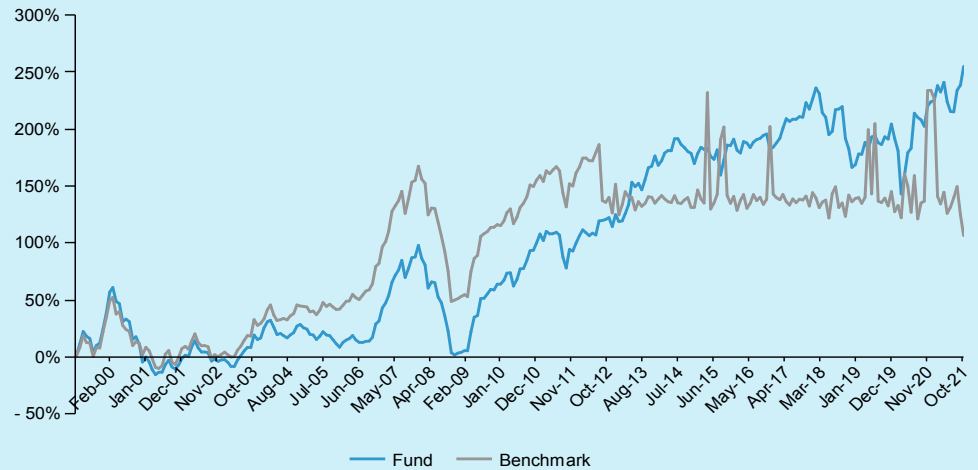
Currency: MYR ISIN Code: MYU1000AM002

Bloomberg Ticker: BBMBDPI MK

Fund Information

Location	Malaysia
Domicile	Malaysia
Fund Currency	Ringgit Malaysia
Fund Size (MYR)	MYR 127.52 million
Fund Unit	163.20 million units
Fund Launch	15 June 1995
Benchmark	FTSE Bursa Malaysia EMAS Shariah Index
Dealing	Daily (as per Bursa Malaysia trading day)
Application Fee	IUTAs: 5.00% of the NAV per unit Principal Agency Distributor: 5.00% of the NAV per unit
Management Fee	1.50% p.a. of the NAV
Trustee Fee	0.09% p.a. of the NAV
Unit NAV (MYR)	MYR 0.7813

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	1 Month	3 Months	6 Months	1-Year	3-Year	5-Year	Since Inception
Fund	9.60	4.87	12.69	4.10	17.36	21.71	20.07	255.10
Benchmark	-4.31	1.88	4.50	-5.13	-1.18	6.96	1.68	106.36

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015
Fund	6.44	14.26	-18.37	14.86	-2.41	7.94
Benchmark	10.14	3.85	-13.52	10.72	-6.14	2.35

Most Recent Fund Distributions

	2021 Jan	2020 Jan	2019 Jan	2018 Jan	2017 Jan	2016 Jan
Gross (Sen/Unit)	2.18	0.50	2.40	5.20	4.55	4.50
Annualised Yield (%)	2.96	0.72	3.80	6.31	5.97	5.44

Note: June 1995 to October 2021.

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 10 Holdings

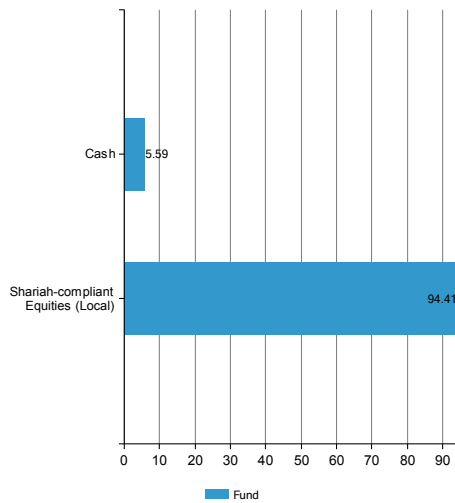
	Country	% of net assets
GENETEC TECHNOLOGY BERHAD	Malaysia	6.80
Petronas Chemicals Group Bhd	Malaysia	6.18
Inari Amertron Bhd	Malaysia	5.13
Telekom Malaysia Bhd	Malaysia	4.99
V.S. Industry	Malaysia	4.98
IHH Healthcare Bhd	Malaysia	4.93
Axiata Group Bhd	Malaysia	4.73
Hibiscus Petroleum Bhd	Malaysia	3.93
Frontken Corp Bhd	Malaysia	3.30
Press Metal Aluminium Hldg Bhd	Malaysia	3.21

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.

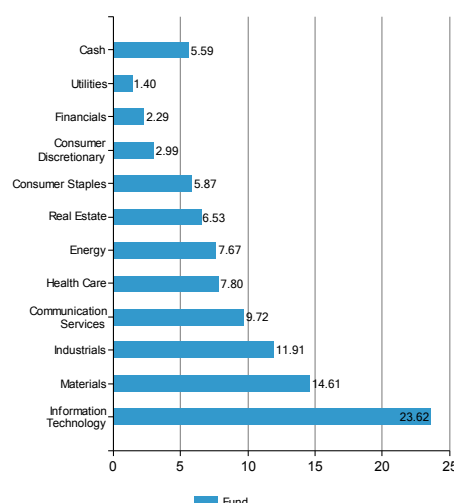
Fund Risk Statistics

Beta	1.00
Information Ratio	0.66
Sharpe Ratio	0.42
3 years monthly data	

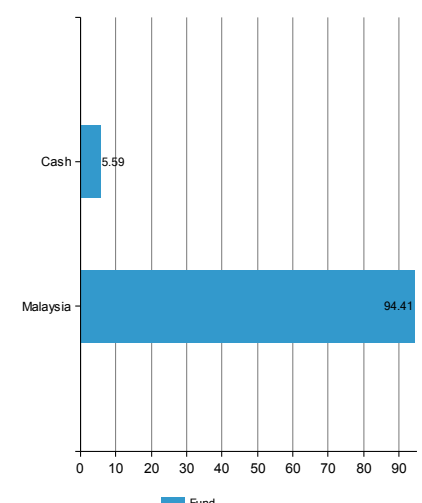
Asset Allocation (%)



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 October, the Fund gained 4.87%, outperforming the Benchmark by 2.99% which was mainly due to stocks selection Information Technology, Energy and Materials. On the YTD, the Fund outperformed the Benchmark by 1,391 basis points (bps).

Malaysia's manufacturing PMI rose further to 52.2pts in October from 48.1pts in the previous month, the strongest expansion since April. Production and new order volumes also recorded its first increase in six months, aided by lifting of movement restrictions. That said, manufacturers complained of sustained supply-chain constraints and delivery delays which inhibited the recovery, while material shortage and logistics have fueled cost inflation. Purchasing activity also remained relatively subdued at the start of 4Q21. IHS Markit, indicated that, "Manufacturers expressed optimism regarding the year-ahead outlook for the fourth month running, citing hopes of a domestic and external recovery in demand should the pandemic continue to dissipate".

We expect Bank Negara to maintain OPR at 1.75% during the upcoming MPC meeting on 3 November, with 25bps hikes in 2022 and 2023 each respectively, and maintain an accommodative monetary policy.

The one-off broad-based Prosperity Tax hurts corporate earnings in 2022 and dents investor sentiment in the near-term but it does not derail the recovery. In our opinion, the recent sell-off presents an opportunity to reposition into reopening plays, laggards, as well as sectors with structural or secular growth stories. Thus, we continue to remain constructive on Financial, cyclical themes such as Consumer Discretionary. We continue to overweight selective Technology companies and to underweight Glove given their earnings prospects. We are turning neutral on Plantation as valuations may have partially reflected ESG concerns.

^aBased on the fund's portfolio returns as at 15 October 2021, the Volatility Factor (VF) for this fund is 16.230 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 and 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.

Principal Asset Management Berhad

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