

# Principal Next-G Connectivity Fund - Class MYR Hedged

31 October 2021

## Fund Objective

The Fund aims to achieve capital appreciation through investments in one (1) collective investment scheme, which invests in mobile internet and connectivity related securities.

**Currency:** MYR  
**ISIN Code:** MYU1000IP008

**Bloomberg Ticker:** PRPNCCM MK

## Fund Information

Domicile	Malaysia
Base Currency	US Dollar (USD)
Fund Inception	16 January 2021
Benchmark	The Fund adheres to the benchmark of the Target Fund for performance comparison. Currently, benchmark of the Target Fund is MSCI All-Country World Index (ACWI) (Total Return, net of tax, USD).
Management Fee	Up to 1.80% per annum of the NAV of the Class.
Trustee Fee	Up to 0.04% per annum of the NAV of the Fund.
Fund Size (MYR)	MYR 163.72 million
NAV per unit (As at 31 October 2021)	MYR 0.9711

## Fund Strategy

The Fund is a feeder fund and it invests in a single CIS, i.e. Neuberger Berman 5G Connectivity Fund ("Target Fund"). The Fund may also invest in liquid assets for liquidity purpose.

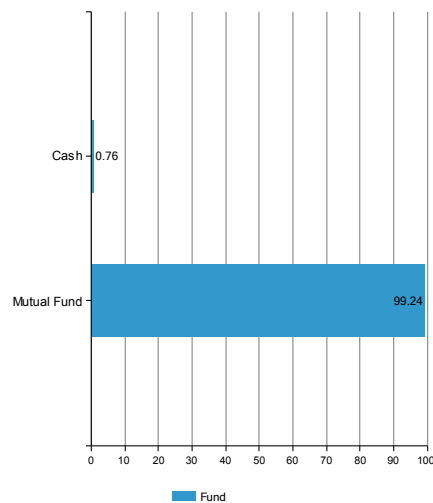
In order to achieve its investment objective, the Fund will invest at least 95% of its NAV in the Target Fund and may also invest up to 5% of its NAV in liquid assets for liquidity purpose. The Target Fund was established on 8 April 2020 under the Neuberger Berman Investment Funds Plc; an investment company with variable capital and segregated liability between sub-funds incorporated in Ireland.

## Top 10 Holdings \*

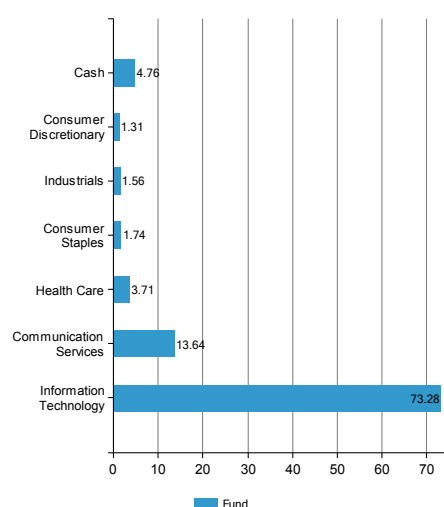
	Country	% of net assets
Keysight Technologies Inc	United States	3.98
United Microelectronics Corp.	Taiwan	3.73
Advantest Corp.	Japan	3.64
Lightspeed Commerce Inc	Canada	3.59
Analog Devices, Inc.	United States	3.52
ASM International N.V.	Netherlands	3.31
ServiceNow, Inc.	United States	3.30
Marvell Technology, Inc.	United States	3.28
StarPower Semiconductor Ltd.	China	3.27
Nokia Oyj	Finland	3.08

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.

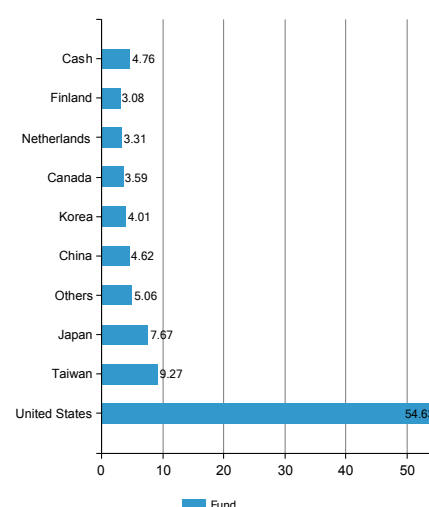
## Asset Allocation (%)



## Sector Allocation (%) \*



## Regional Allocation (%) \*



\* Of the target fund

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

The Fund rose 2.37% in October, underperforming the benchmark by 2.76ppt.

Global equity markets remained volatile in October, where ongoing supply chain disruptions, spiking energy costs and cost inflation complicated the macro backdrop and impacted investor sentiment. The fund performance over the month was driven by strong earnings beat in semiconductor portfolio holdings, accelerating 5G & data center capex, and structural tailwinds in applications & devices as digital transformation proliferates. We maintain our focus on a "stronger for longer" semiconductor industry, 5G network roll-out acceleration in the US, dollar content growth in 5G devices, 5G killer apps, and cloud digital transformation enablers.

While market volatility is likely to persist, we remain focused on areas with strong earnings tailwinds and visibility while avoiding sectors with uncertainties and headwinds. 5G is a national priority and digitalization of the economy is irreversible. We keep our focus on beneficiaries of the acceleration in 5G rollout especially in the US, a stronger for longer semiconductor industry, dollar content growth in 5G devices and industrial IoT, next generation 5G killer apps such as Metaverse, and the beneficiaries and enablers of digital transformation. We plan to take advantage of market dislocations to trade up for higher quality exposures where we see incremental positive outlook, better earnings power, and validation of our 5G investment thesis.

We recommend that you read and understand the contents of the Information Memorandum for the Principal Next -G Connectivity Fund dated 16 January 2021 which has been deposited with Securities Commission Malaysia before investing and that you keep the said Information Memorandums for your record. Any issue of units to which the Information Memorandums relates will only be made upon receipt of the completed application form referred to in and accompanying the Information Memorandums, subject to the terms and conditions therein. The general risks are returns not guaranteed, market risk, inflation risk and financing risk. The specific risks of the fund are currency risk, Fund Manager risk and country risk. You can obtain a copy of the Information Memorandums 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/Unit Trust Loan Financing Risk Disclosure Statement before deciding to obtain financing to purchase units. All performance figures have been extracted from Lipper.

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.

Principal Asset Management Berhad

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