

Principal Malaysia Titans Fund - Class MYR

29 February 2024



Fund Objective

The Fund aims to maximise capital growth over the medium to long-term through the stock market. The Fund may invest between 70% to 98% (both inclusive) of its NAV in equities and other equity related securities. The Fund may also invest up to 28% of its NAV in other permissible investments. In line with its objective, the investment policy and strategy of the Fund will focus on investment in shares of companies with growth potential and listed on the main market. The Fund may invest up to 25% of its NAV in companies that are listed in any Eligible Market globally with some operations or businesses in Malaysia to capture growth opportunities.

Lipper Score

Total Return

4

Consistent Return

4

Morningstar Rating



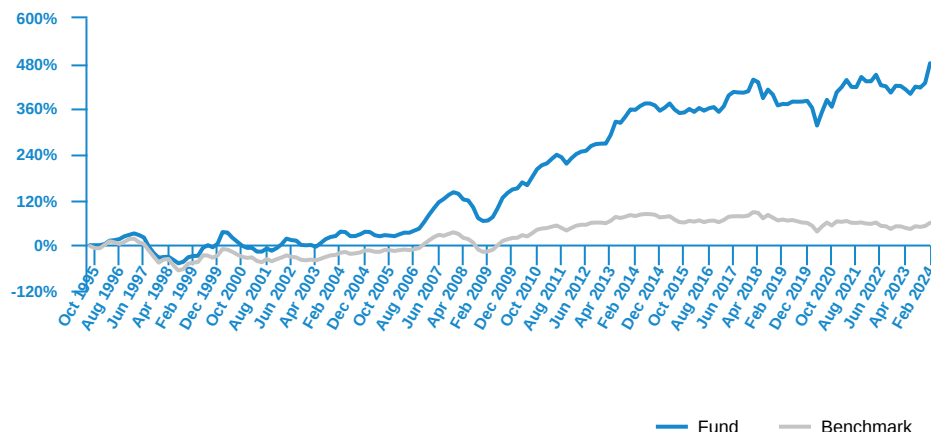
Sustainability



Fund Information

ISIN Code	MYU1000BP003
Lipper ID	60005774
Bloomberg Ticker	SBBPRCI MK
Domicile	Malaysia
Currency	MYR
Base Currency	MYR
Fund Inception	1 Aug 1995
Benchmark	FTSE Bursa Malaysia Top 100 Index
Application Fee	6.50% of the NAV per unit
Management Fee	1.50% of the NAV
Trustee Fee	0.05% of the NAV
Fund Size (MYR)	MYR 250.4 million
Fund Unit	177.82 million units
NAV per unit (As at 29 Feb 2024)	MYR 1.4081
Initial Offering Period (IOP) Date	21 May 2003
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	9.47	2.41	12.96	12.27	14.56	10.46	22.89	488.14
Benchmark	6.41	2.33	7.33	7.17	8.63	-1.27	-4.61	61.12

Calendar Year Returns (%)		2023	2022	2021	2020	2019	2018
Fund		2.72	-3.29	4.86	5.99	4.43	-10.18
Benchmark		0.63	-5.40	-4.23	3.49	-2.88	-9.28

Most Recent Fund Distributions		2022 Oct	2021 Oct	2020 Oct	2019 Oct	2018 Oct	2017 Oct
Gross (sen/unit)		4.54	6.22	6.50	5.42	12.00	11.00
Annualised Yield (%)		3.73	4.53	5.06	3.96	7.98	6.55

Note: August 1995 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.

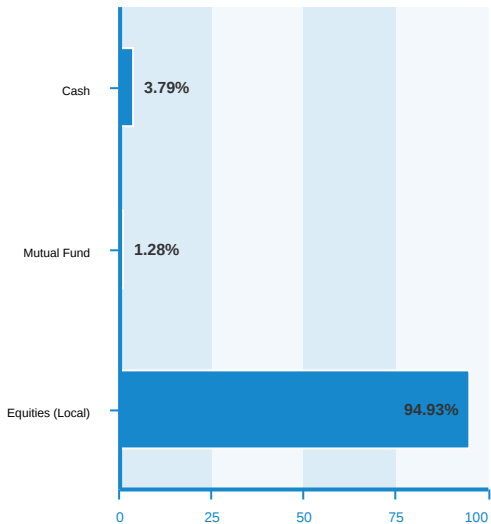
Annualised yield is calculated as the most recent monthly dividend distribution multiplied by the Fund's dividend frequency and divided by the latest NAV.

Source : Lipper

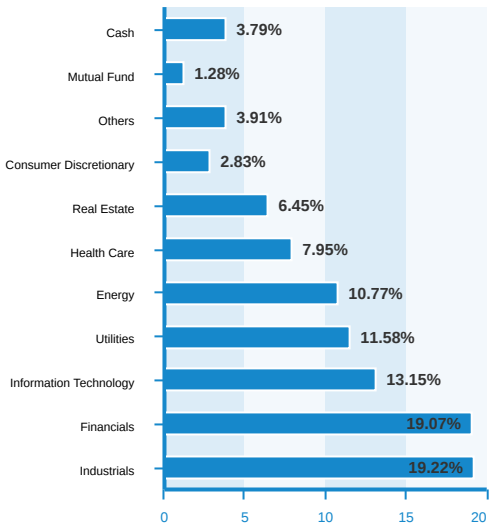
Top Holdings			Fund Risk Statistics	
	Country	% of Net Assets		
CIMB Group Holdings Bhd	Malaysia	9.70	Beta	0.89
Public Bank Bhd	Malaysia	6.39	Information Ratio	0.24
Malaysia Airports Holdings Bhd	Malaysia	6.05	Sharpe Ratio	0.01
Tenaga Nasional Bhd	Malaysia	5.84	(3 years monthly data)	
Hartalega Holdings Bhd	Malaysia	4.53		
Genetec Technology Bhd	Malaysia	4.02		
YTL Power International Bhd	Malaysia	3.92		
Dayang Enterprise Holdings Bhd	Malaysia	3.82		
Frontken Corp Bhd	Malaysia	3.13		
Gamuda Bhd	Malaysia	2.99		

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.

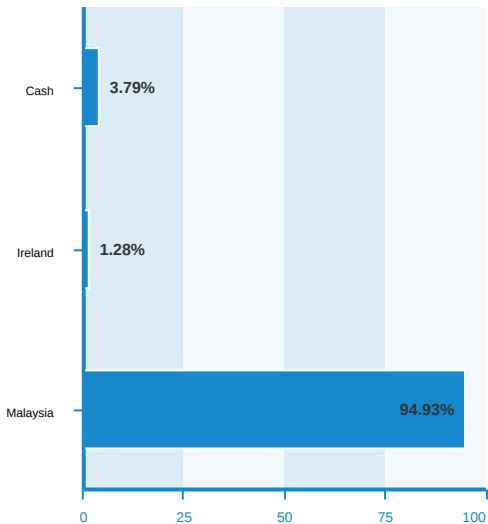
Asset Allocation (%)



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

The Fund rose 2.41% in February 2024, outperforming the Benchmark by 8 basis points (bps), which was mainly due to the Fund's overweight in Energy, Industrials and Information Technology as well as the underweight in Communication Services, Consumer Staples, Financials and Consumer Discretionary.

Malaysia's manufacturing sector neared stabilization in February, with the PMI reading at 49.5pts vs 49 pts in January. According to S&P Global, both new orders and production levels moderated at a marginal pace amid reports that there were some pockets of demand building. Employment and backlogs also broadly stabilized. However, higher raw material prices and currency weakness added to firms' input costs but selling prices were raised only fractionally. Manufacturers remain optimistic that demand environment would improve and that price conditions would stabilize. The latest PMI suggests a modest improvement in 1Q24 GDP growth. To recap, BNM projects GDP to grow 4-5% in 2024, from an estimate of 3.8% in 2023.

We expect BNM to maintain OPR at 3.00% in the upcoming MPC meeting, as well as for the rest of the year given muted inflation and modest economic growth. Inflation was at 1.5% in January. There appears to be sufficient headroom to central bank's 2.1-3.6% CPI forecast for 2024 with the impending subsidy rationalization plans.

Malaysia's equity market valuation still 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 10% 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 ~360bps). 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 retain our positive view on the market as we believe improved political stability, stronger earnings growth prospects and higher domestic investment investments would drive the market further. Our key preferred sectors remain those that stand to gain from the NETR, including Utilities, Construction, and Property. Additionally, we see opportunities in selected O&G names as we see value and we believe the sector will be supported by strong Petronas activity in the coming years. We also remain optimistic on selective Financials as we expect positive momentum to persist in 2024, primarily fueled by better earnings outlook. 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 risk.

[^]Based on the fund's portfolio returns as at 15 February 2024, the Volatility Factor (VF) for this fund is 10.87 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 dated 25 June 2021, which has been duly registered with the Securities Commission Malaysia, before investing and that you keep the said Master Prospectus for your records. Any issue of units to which the Master Prospectus relates will only be made upon receipt of the completed application form referred to in and accompanying the Master Prospectus, 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 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 borrow 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.