

PB GROWTH SEQUEL FUND



PB GROWTH SEQUEL FUND (PBGSQF)

Fund Profile

Category of Fund	Equity fund
Type of Fund	Capital growth
Equity Range of Fund	70% to 98%
Stock Selection Profile of Fund	Growth stocks
Distribution Policy *	Incidental
Investor's Risk Profile **	Aggressive
Suggested Minimum Investment Period ***	3 years
Designated Fund Managers	Chiang Kang Pey and Tan Kok Keong

The Fund Manager may adopt temporary defensive strategies by lowering the equity exposure of the fund below the above stated range and increasing its investments in fixed income securities and liquid assets which include money market instruments if the investment climate is deemed to be unfavourable and weakness in the equity markets is expected.

Notes:

- * **Incidental distribution** implies that the main focus of the Fund will be on securing capital growth.
- ** **Aggressive** indicates an investor's risk disposition favouring high capital growth and its corresponding high risk.
- *** **Suggested minimum investment period** is a guide only. Investors should review their investment in the Fund on a regular basis to ensure it continues to meet their investment needs or goals.

Investor Profile

- aggressive risk-reward temperament
- medium to long-term investor
- can withstand extended periods of market highs and lows in pursuit of capital growth

Note: Medium to long-term refers to a period of 3 years or more.

Investment Policy

PBGSQF invests in a diversified portfolio of primarily Malaysian equities to meet the objective of the Fund. Its equity content in terms of NAV will normally range in the region of 70% to 98% of the NAV of the Fund. The balance of the Fund's NAV will be invested in fixed income securities and liquid assets which include money market instruments.

SUMMARY OF KEY DATA OF THE FUND

Name of Fund	PB Growth Sequel Fund
Category of Fund	Equity fund
Type of Fund	Capital growth
Launch Date	15 November 2011
Approved Fund Size	1.5 billion units
Financial Year End	31 December
Fund Objective	To achieve capital growth over the medium to long-term period by investing in a diversified portfolio of stocks. <i>Note: Medium to long-term refers to a period of 3 years or more.</i>
Risk Profile of Fund	High risk
Investor Profile	Medium to long term investors with aggressive risk-reward temperament i.e. the investor's risk disposition favouring high capital growth and its corresponding high risk.
Investment Strategy	PBGSQF seeks to meet its objective by investing in a diversified portfolio of domestic and foreign listed equities. Its equity content in terms of NAV will normally range in the region of 70% to 98% of the NAV of the Fund. The balance of the Fund's NAV will be invested in fixed income securities and liquid assets which include money market instruments.
Benchmark	FTSE Bursa Malaysia KLCI (FBM KLCI)
Principal Risks	Market risk, specific security risk and liquidity risk.
Manager	Public Mutual Berhad (23419-A)
Trustee	AmanahRaya Trustees Berhad (766894-T)
Designated Fund Managers	Mr. Chiang Kang Pey and Mr. Tan Kok Keong
Initial Offer Period	21 days commencing from 15 November 2011 to 5 December 2011.
Initial Issue Price	RM0.2500
Service Charge per Unit during Offer Period	Up to 5.5% of the Initial Issue Price of the Fund.

BENEFITS OF INVESTING IN UNIT TRUSTS

Besides the potential for capital growth over the long-term period, unit trusts also provides other recognised benefits that makes them attractive relative to other investment avenues. Among them are as follows:

1. **Diversification:** Diversification involves the process of spreading risk over a broad portfolio of stocks and bonds in different companies, sectors, countries or regions. This can only be done with substantial amounts of monies to buy a wide variety of stocks. Unit trusts facilitate the diversification process through providing small investors with an avenue to pool their savings for the purchase of a diversified portfolio of stocks and bonds that will bring returns at lower risks to unitholders compared with investing directly in stock markets.
2. **Professional Management:** Unit trusts are managed by professional fund managers with the expertise and resources to manage the assets of the fund. The investors thus benefit from this professional fund management of their investments in the fund at an affordable (shared) cost.
3. **Liquidity:** Unitholders may redeem all or part of their units on any Business Day and have their proceeds mailed to them within 10 days.
4. **Ease of Transactions:** Unit trusts do not require cumbersome administrative or paperwork or record keeping on the part of unitholder in managing his investments.
5. **Capital Gains:** Through participation in securities, unit trust investments provide the opportunity to reap capital growth as part of the return on a unitholder's investment.

DOLLAR-COST AVERAGING PRINCIPLE

The Principle of Dollar-Cost Averaging involves a disciplined regular investment technique which may be applied to maximum effect in unit trust investing. Based on this principle, all that an investor has to do is to invest a regular sum of money with a selected unit trust fund over a period of time. This way, he does not have to worry about market timing, or where shares prices or interest rates are headed. **His regular investment amount will buy him less units when the market is up, and more units when the market is down. He will thus be able to accumulate units at an average cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect.**

However, investors should note that regular investments do not assure a profit and do not protect against loss in declining markets. Since such regular investment technique involves continuous investment in a selected unit trust fund, investors should consider their financial ability to continue purchases through periods of low price levels. Past performance is no guarantee of future results.

Let's take a walk through the illustration below and see for yourself the benefits of dollar-cost averaging through regular savings/investments in a unit trust fund called Fund A.

Illustration:

Let us assume that Investor A decided to invest a monthly savings of RM400 with the fund over a period of 24 months.

As shown in the tables below, with monthly investments of RM400, Investor A was able to buy/accumulate more units per investment amount of RM400 per month when the NAV per unit was lower, and less units when the NAV per unit was higher. In the first 12 months (Table 1), Investor A thus managed to accumulate a total of 8,026.47 units at an average cost of RM0.5980 per unit when the market was on the uptrend. **Note that the units have an average cost of RM0.5980 whereas the average NAV per unit over the period was higher at RM0.6008.** During the next 12 months (Table 2), Investor A managed to accumulate a total of 9,270.36 units at an average cost of RM0.5178 per unit when the market was on a downtrend. **Once again, note that the units have an average cost of RM0.5178 which is lower than the average NAV per unit over the period at RM0.5183.**

By regularly investing the same amount of money in the fund irrespective of price fluctuations, the units will be bought at an actual cost which is lower than the average NAV per unit over the same period. This represents the dollar-cost averaging effect of regular investments.

Although the dollar-cost averaging process can work with a series of lump sum investments, it operates better with investments made on a regular basis (ideally monthly) to maximise the advantage of the averaging process.

Table 1 : Upmarket Scenario

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
1	0.5453	400.00	733.54	733.54
2	0.5461	400.00	732.47	1,466.01
3	0.5553	400.00	720.33	2,186.34
4	0.5615	400.00	712.38	2,898.72
5	0.5695	400.00	702.37	3,601.09
6	0.6115	400.00	654.13	4,255.22
7	0.6225	400.00	642.57	4,897.79
8	0.6248	400.00	640.20	5,537.99
9	0.6315	400.00	633.41	6,171.40
10	0.6338	400.00	631.11	6,802.51
11	0.6415	400.00	623.54	7,426.05
12	0.6662	400.00	600.42	8,026.47

First 12 months:

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	8,026.47
Average cost of units procured	=	RM0.5980
Average NAV per unit over the period	=	RM0.6008

Table 2 : Downmarket Scenario

Month	NAV Per Unit (RM)	Monthly Investment (RM)	No. of Units Credited	Units Accumulated
13	0.5453	400.00	733.54	733.54
14	0.5450	400.00	733.94	1,467.48
15	0.5330	400.00	750.47	2,217.95
16	0.5320	400.00	751.88	2,969.83
17	0.5210	400.00	767.75	3,737.58
18	0.5200	400.00	769.23	4,506.81
19	0.5185	400.00	771.46	5,278.27
20	0.5100	400.00	784.31	6,062.58
21	0.5025	400.00	796.02	6,858.60
22	0.4997	400.00	800.48	7,659.08
23	0.4970	400.00	804.83	8,463.91
24	0.4960	400.00	806.45	9,270.36

Next 12 months:

Principal investment (RM400x12)	=	RM4,800
Units accumulated	=	9,270.36
Average cost of units procured	=	RM0.5178
Average NAV per unit over the period	=	RM0.5183